Canada's 5th Victory Loan — Buy Your Share!

THE FINANCIAL POST

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The Nation's Business

Aviation Meet Raises Vital Empire Issue

An extremely significant by-play in inter-United Nations and inter-Empire relations has just taken place, almost unnoticed.

Hon. C. D. Howe returns from the Empire Air Conference in London to the announcement that Commonwealth representatives had reached "unanimous" agreement as to postwar international aviation policy.

On the very eve of the opening of the Conference for Empire countries, President Roosevelt took the trouble to issue a forceful statement on U. S. air policy.

Digging behind the headlines and the official statements, The Financial Post finds that this brief and quiet conference plus the FDR speech created a situation filled with short- and long-term implications for member states of the British Commonwealth. Glance over the sequence of events:

Just on the eve of the purely "family" talk in London on postwar Empire aviation policy, Mr. Roosevelt served notice that he stood for a "free air" policy. This is, in effect, the view that privately owned airlines should have the opportunity of extending operations into the international sphere, and that all lines should have the right to use all air facilities of all countries.

Nothing could have been more explosive or better timed to serve notice on the Commonwealth gathering, and on Canada in particular, that the U. S. has its mind made up; that the Commonwealth members are also members of the United Nations and that the U. S. plays a dominating role in that group.

So far, in most deliberations on postwar policy, Canada has been sitting in as a member of the United Nations team. We have seen this principle at work on currency stabilization and food policy. The same principle has been operative on war production, allocation of supply, etc.

Did Mr. Roosevelt expect that on postwar aviation policy Canada had other plans; that, on this subject, the British Commonwealth group was going to join hands in a "united-we-stand-divided-we-fall" approach?

HOW WILL COMMONWEALTH FUNCTION?

That apparently was the case. In the past British participation in international aviation has been on lines directly contrary to those enunciated by the President. British policy in the past has been to limit international air operations to a single government-assisted line.

FDR obviously wanted to make very sure that the Empire conferees knew exactly what they were "ganging up" against, if "ganging up" against U. S. policy was their intent.

Now comes the official announcement from the London conference about "unanimous agreement." Elsewhere on this page is a Post report as to how this announcement is being interpreted.

Result of the London parley, according to this interpretation, is that the "unanimous agreement" in so short a session marked the death-knell of proposals for an "All-Red" international air route. In such a plan Canada would have linked her air future almost exclusively with Britain's.

Result of the conference indicates agreement on a policy more agreeable to the United States.

This incident highlights in dramatic fashion the basic problem of relationships between Commonwealth members inside the United Nations group.

How is the Commonwealth going to function as a group? Obviously the United States and other United Nations members will not object to us functioning as a group when they agree with our policies. When they disagree, it will be a very different matter, as seen in the present instance.

The way Roosevelt shouted the warning this time is regarded by people in high Canadian places as of the greatest significance. This is an incident which may have far-reaching effect on Commonwealth meetings for years to come. The incident demonstrates with brilliant clarity the extreme difficulty of the position in which Canada stands internationally; the importance of clear, far-sighted foreign policies for the Dominion.

• • •

WHAT KIND OF IMMIGRANTS?

Immigration talk increases. So far it is all talk.

A Church of England delegate from Britain to a church meeting here recently emphasized that British population is decreasing; that this plus reconstruction will weaken emigrant urges. If Canada wants British people to come here, this churchman says, the Dominion will have to guarantee them a high degree of social security.

To this the Vancouver Daily Province makes a sage comment:

"Social security for immigrants will be something new to Canada. In the past when we wished immigrants we issued the invitation, 'Come and grow up with the country.' But we offered only opportunities—never guarantees."

"Do we wish to change our policy now? It is doubtful. And it is doubtful if it would do us any good to do so. The type of immigrant who will wait for a social security guarantee is not the type of immigrant we want—not the type that would be likely to help make the country and make himself a place in it."

"This is not saying, of course, that we should adhere to the old laissez-faire policy of letting the immigrant sink or swim. The immigrant who succeeds is worth a battalion of immigrants who fail and if by reasonable assistance at the beginning we can give the immigrant a start toward success it will benefit us as well as him to extend the help."

STILL NEED THE SAME KIND

Men of vigor and courage, with the determination to work out their own salvation, were the men who pushed out the boundaries of Canadian life; who made this country what it is. Only that same kind of men and women can make Canada what it can and should be in the future.

That must determine what kind of immigrants we want and accept. Not what country he comes from, not what language he talks should be the test.

What is his physical and moral heritage? That's what matters. Does he want opportunity or does he want just a little opportunity and a whole lot of so-called social security the first day he gets tired?

One fact we Canadians should get clear in our minds: Our country, like all North America, is made up of a vast mixture of peoples. Here in Canada we cannot any more than in the United States turn back the clock of history and try to create a Canada that is only Anglo-Saxon and French.

Our national racial composition at the recent census was 49.6% Anglo-Saxon, 30.2% French Canadian and 20.2% others.

Eric A. Johnston, president of the U. S. Chamber of Commerce, recently addressing the similar body in Great Britain commented on "the average American's unshakable conviction that out of many races our country has made a new race."

We Canadians may not yet have become such a polyglot people as the Americans. But when we come to the immigration problem—and it is high time to get policy drafted—let us keep our thinking straight as to what the Canadian people now are and as to what kind of people can and will fit into the Canadian situation; take advantage of what Canada has to offer; help build the kind of Canada Canadians want.

U.S. Import Ban Easing Is Delayed

Recommendations to Change War Exchange Act Held Up Pending Price-wage Decision

By STAFF WRITER

OTTAWA.—Sitting patiently in the anteroom of the Minister of Finance for many weeks now have been important recommendations looking toward the removal of the 10% War Exchange Tax and the overhaul and elimination of most of the restrictions which now exist to bar import of merchandise from United States into Canada.

Some months ago (July 24) The Financial Post reported that a complete overhaul of the War Exchange Conservation Act was under consideration by Ottawa. Subsequently this overhauling and study was completed and important recommendations made to the Minister of Finance, Mr. Ilsley.

Apparently the recommendations have been sidetracked by the pressure of more important war business and no action has been taken. So far as can be learned there has been no turning down of the recommendations but simply inability or unwillingness to make a decision on this important matter affecting a wide list of merchandise and materials now barred from entry to Canada.

It will be recalled that when the

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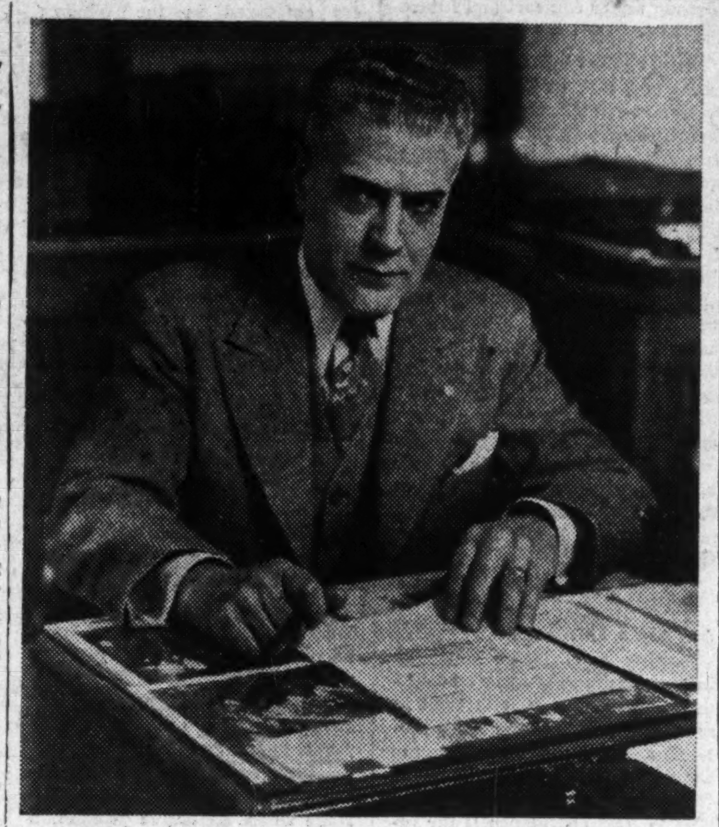

HOTEL ASSOCIATION HEAD

Here's a man to whom the weary traveller owes much for the comfortable accommodation found at modern hotels throughout the continent. He is E. H. "Bob" Frappier, cast in the role of mine host since the turn of the century, new president of the Hotel Association of Canada and a tireless worker through this and allied bodies in the United States and Mexico for ever better hotel service to the public. Long active in association work, this practical hotelman — he is managing director of Montreal's De La Salle hotel — also represents Canada as a director of the American Hotel Association and as vice-president of the Asociacion Interamericana de Hoteles. As well, he is a director of the Montreal Tourist & Convention Bureau, vice-president and general manager of the Drummond Street Realty Corp., Montreal, and a past president of the Quebec Hotel Association.

Up Prairie Grain Net To New High

Government Has $75 Millions for Holders of Crop Participation Certificates

By STAFF WRITER

OTTAWA—On top of the biggest cash income from wheat in 15 years, prairie farmers are due to receive an extra $70 or $75 millions in cash dividend by reason of the government having closed out the 1940, 1941 and 1942 Wheat Board accounts at $1.23½ per bu. a few weeks ago.

On the basis of present deliveries and the new pegged wheat price for the remainder of the year, The Financial Post estimates that income and bonus payments to prairie wheat farmers in 1943, will be $225 millions compared with $138 millions in 1942 and $169 millions in 1941.

On top of this big total will be an extra $70 or $75 millions distributed to farmers on the basis of their participation certificates in the '40, '41 and '42 crops.

Official notice of the amount and nature of participation payment will be made by the government in the near future. It is unlikely that the actual cheques will be issued before the turn of the year. Were they to reach wheatgrowers before the end of 1943, the amount to be distributed would bring this year's cash income and other payments to wheat growers up to $328 millions—an increase of 70% over the corresponding receipts in the three previous years.

The 1943 figure includes $25 millions—the estimated 1943 payment for Wheat Acreage Reduction, and $3 millions paid out under the Prairie Farm Assistance plan.

Here is The Post size-up of wheat income to prairie farmers in the past four years. These sums are exclusive of the $70 or $75 millions which represents the cumulative amount now due farmers on '40, '41 and '42 crops.

Wheat Income and Special Payments to Prairie Farmers
1940-43 (Calendar Years)
(In millions of dollars)

	1943	1942	1941	1940
Cash Income: (from sale of wheat delivered in calendar years	225	138.1	169.2	182.6
Bonus or Special Payments:				
Wheat acreage reduction	25	22.3	22.3	....
Prairie farm assistance	3	14.5	5.2	....
Prairie farm income	....	18.2	0.5	....
	*253	193.1	197.2	182.6

*Exclusive of $70 or $75 millions payable as final wheat dividend on '40, '41 or '42 crops.

Actual cash income to prairie farmers from wheat in the crop years 1940, 1941 and 1942 was $585 millions. Thus a payment of say $75 millions to close out participation certificates in these three years would represent a final payment of about 13 cents on the dollar.

All individual participation accounts in the three crop years are now closed out and the work of transferring these from the Wheat Board to the government and estimating the amount involved in each case is now proceeding.

What is involved in this final dis-

(Continued on page 2, col. 7)

All-Red Air Route Scheme Said Killed

Commonwealth World-girdling Air Link Thought Shelved as Result of London Agreement on Civil Aviation

By STAFF WRITER

OTTAWA. — Announcement from London that Commonwealth representatives had reached "unanimous" agreement as to recommendations to be made to their governments for development of postwar civil aviation, is taken here to mean the death-knell to British proposals for an "All-Red" route which would have included Canada as a minority partner in the British Overseas Airways Corp.

It is believed here that the "exploratory" talks which Canada and other Commonwealth partners were invited to attend in London were primarily to get approval for an "All-red" world-girdling airline which would link the Commonwealth nations irrevocably together in postwar civil aviation and present a united front against competition from U. S. and other United Nation countries.

F. D. R. Concerned

The fact that President Roosevelt was at such pains to make his "free air" statement at a Washington press conference a few days before the meeting in London is thought to have been a deliberate move on the part of F. D. R. to warn Canada and other nations that any attempt by the Commonwealth to "gang up" by means of a solid Empire front would meet with opposition from the United States.

Since there has been little official support here in Ottawa for the "All-Red" proposition (which would presumably only include Canada as a junior or minority shareholder) it is supposed that "unanimous agreement" means something considerably short of the reported British plan.

It is not considered possible here that Canada would have agreed to the "All-Red" plan in any sense which would bind this country irrevocably to a postwar civil aviation future within the orbit of a purely Commonwealth scheme.

Observers here see something even more significant than mere postwar aviation—important as that may be—in what has happened in Britain in the past few days.

The London meeting was the first formal assemblage of a group of Commonwealth "experts" on a Cabinet and official level gathered together to discuss common policy. The interest which Mr. Roosevelt displayed in the meeting (inferentially by his "free air" press statement) is taken not only as a warning against forming a solid Commonwealth "bloc" on postwar aviation but also as indicative of concern about the position Canada and other Commonwealth nations will take in respect to many matters which must be shortly decided on a United Nations' level.

Heads "Smaller" Powers

So far Canada has stood out in these discussions, not so much as a member of the Commonwealth but as a representative of all "smaller" powers. Most notable example was her attempt to insist on what Mr. King described as "functional representation" in the naming of representatives to the top-flight United Nations Relief Administration. Here Canada took issue with Britain, Russia and the United States in demanding that the guiding organization should include representatives of countries actively interested in relief distribution, rather than on the basis of merely including either the "Big Two" or the "Big Four."

What happened at London last week probably indicates that Canada does not intend to form part of a solid "Empire" bloc and that our destiny probably lies in steering an independent course within the United Nations' orbit but working wherever possible in harmony with other members of the Commonwealth.

LONDON CALLING by Adelphi

Coal Mine Nationalization Comes To Parliament; Churchill Answers

Cabled from London to The Financial Post

By ADELPHI

LONDON.—Old King Coal is anything but a merry old soul these days. Britain's coal production is falling and the miners are being blamed.

It was Oscar Wilde who said truth was seldom simple. That dictum is being borne out just now.

One of the troubles is that at the beginning of the war more than 50,000 miners were drafted to the armed services. Then the sons of miners eagerly joined the army in preference to the pits or made their way to industrial centres where high wages were paid for unskilled labor. The older miner found himself drawing less pay than his daughter or his son. In time this was rectified; as usual in mining matters, the reforms were dilatory. These miners are now four years older. Actually they are more than that, for which of us can say we are only four years older than in 1939. In other words, strain is telling.

• • •

The Old Battle Cry

So once more miners have revived the old battle cry "Nationalize the mines." They are as patriotic as anyone else but they are human enough to feel that if they are so urgently needed in war, they should have a charter of security for peace.

The parliamentary Labor party was ready to back the miners' demands and, when the House met for two days' debate this week, it really seemed as if Labor would vote against the Government and that the Socialist Ministers would have to resign. But Churchill decided to intervene in one of the most astonishing performances of his political career. I have never seen him in such form. He was benign, humorous, wise, firm. Usually he prepares his speeches with meticulous care but this time he only had half a dozen notes. He apologized to the House for intruding in the debate. He said he would only speak for a few minutes and then actually delivered 9,000 words, which is about seven times the length of this column.

He balanced himself beautifully between concession and refusal. "The word nationalization does not frighten me," he said, "Before the last war I was in favor of nationalizing the railways."

The Socialists sat up eagerly. It looked as if the mighty Churchill had been won over.

"Then when the railways became virtually nationalized," he went on, "I noticed what bad service they gave the public and was glad to see them revert to their natural owners."

The Socialists slumped in their seats.

"Perhaps the mines should be nationalized," said irrepressible Winston. The Socialists sat up again and the Tories frowned. "I am not bigoted on the subject but I don't think it would help the war effort." Down went the Socialists again and back came Tory smiles. Churchill said "No" but did it so agreeably that the labor rebellion simmered out. It was not until 24 hours afterwards that rumblings started again. Old King Coal is hard to put to sleep.

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Fun in the Azores

The day before Churchill had a great time over the Azores affair with Portugal. No one can so effectively combine humor and dignity. His announcement that an

(Continued on page 2, col. 3)

B.C. Steel Shipbuilding May Soon Do 'Fade-Out'

Canada May be Cut Off From This Postwar Field Due to Inability to Meet Low Wages and Skilled Labor of U. K. Industry

From Our Own Correspondent

VANCOUVER.—Steel shipbuilding in British Columbia currently provides employment for 40,000 men and women, but few people expect this to survive the war by many months, except on a very much reduced scale.

This is hinted in the shifting of emphasis in recent weeks from cargo ship to naval craft construction, in labor layoffs, the slowdown in building freighter hulls from 70 or 80 days to 100 or more days, and other developments.

Gradually the impression has been gained by shipyard executives that the United Nations have climbed over the hump so far as production of merchant vessels is concerned; that the gigantic war-born industry in the United States probably will more than offset by the end of the war any actual deficit in world tonnage, and that Canadian yards should swing over to the type of production for which they are best suited.

Just what that type is has not yet been fully determined. There is evidently no official inclination to compete with the United States in building fast Victory type cargo carriers for postwar trade routes. While Canada is building "Victory ships," too, they are very different in motive power and speed from those now under construction south of the border.

200 Merchant Ships

Munitions Minister C. D. Howe recently declared in the House of Commons that Canada probably would end the war with 200 merchant ships, which is far in excess of the pre-war number. These ships may be very far from the fastest thing afloat and they may leave much to be desired in other ways, but by and large they are well suited to typical Canadian deep-sea commerce. If the Allies are able to see daylight on the shipping front and there is prospect of a surplus of ships after the war, why should Canada continue to maintain large scale steel shipbuilding? That is what some west coast builders are asking.

Obviously, curtailment of merchant shipbuilding—about 40 ship contracts have already been cancelled by Wartime Merchant Shipping

(Continued on page 2, col. 1)

Montreal Stock Market

What Are Godbout's Plans?

Market Shows Faith in Montreal "Power" Outlook

From Our Own Correspondent

MONTREAL. — Subject of widespread comment is the manner in which market value of Montreal Light, Heat & Power stock has held up.

From a price of between 25 and 26 immediately before the Public Service Board served notice on the company of its intention to reduce the book value of the capital assets employed in electrical services and Premier Godbout's announcement, the stock dropped momentarily to 19⅞. It recovered immediately to a fraction over 20 and currently sells at just under 21.

Stock Action Puzzling

Action of the stock is puzzling. Careful enquiries bring out the information that there has been little panic selling. A few shares were dumped on the market but, by and large, sales volume has been moderate considering developments. Stock offered has been taken freely between 20 and 21.

The question along St. James Street is: Who is buying? This question is especially intriguing because if the Public Service Board has its way, there is a considerable element of doubt as to the ability of the company to maintain the present dividend rate of $1.50. Another factor, on the basis of the Board having its way, is that the value placed on the electrical properties would indicate an over-all valuation of less than $20 a share in the event of liquidation.

Reasons for Buying

Broadly the buying is attributed to two reasons:

1. Even under the worst circumstances, the Board would still allow the company enough to earn and pay $1 a share.

2. Stock is being bought in the belief that under expropriation preceedings the government will pay better than the present market price for the stock.

Whatever the reason, the market action of Montreal Power's stock is regarded as impressive.

Preparing Defense

Behind the scenes preparations are under way preparing a defense of the company's position, not only in respect to the notice of the Public Service Board but also to the threat of expropriation.

One of the ablest constitutional lawyers in Quebec is reported to have been retained by the company.

There is also reason for believing that the company will not be backward in putting the facts as it sees them before the public.

Everything points to the company preparing to battle in defense of its position.

Shareholders' Interest

Meanwhile 30,000 shareholders are sitting on the side-lines. Their principal thought is the safety of their investment.

Developments to date, many believe, indicate that the action of the Public Service Board in moving to revalue the company's electrical property is but the first step in the move to expropriate.

Linked up with the matter of asset valuation is the question of rates and in turn earning power of the company.

It can be definitely stated at this time that the only move planned by the Board is to establish a value on the assets employed on the electrical services.

However, once that is done, then the matter of rates comes to the fore. In its notice the Board told the company that based on 1939 operations, revenues should not be more than $13.3 millions. This represents a cut of 26.6% from the average prevailing 1937 to 1940.

Earnings in Doubt

There has been considerable uncertainty as to what earnings the company would be permitted under present conditions.

All that can be provided at this time is an unofficial estimate. The Public Service Board has not gone as far as interpreting its proposed limitation of revenues to earnings of the company. Montreal Power has not prepared any estimate available to the public.

There are certain factors known. The Financial Post is reliably informed that the proposed 26.6% cut in revenue applies only to the volume of business done in 1939. Any reduction in rates would apply to conditions as they existed in that year to bring the total income down 26.6% below the average of the years 1937 to 1940.

The company would be allowed to realize the benefit resulting from increased operations and consumption of electricity.

While there is no word, official or otherwise, on this point, it is under-

(Continued on page 3)

U. S. Critical Canol Project

Special Correspondence

WASHINGTON.—Canol is under scrutiny of the United States Senate's sharp-eyed Truman Committee.

Within 10 days those watchdogs of the American war effort may issue a report on the development of Norman Wells and the 1,600-mile pipeline which the U. S. Army is building through the Canadian Northwest from the Arctic oil field to White Horse, Y.T.

Under cover charges that Canol is overgenerous to Imperial Oil and its American parent, Standard Oil of New Jersey, have been circulating here for months. The Truman Committee report should answer them or explode a new controversy in this capital.

Washington columnist, Drew Pearson, who was himself a target for White House criticism recently, put these rumors into print a week

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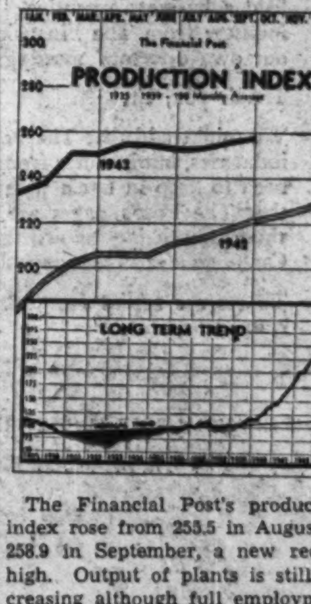
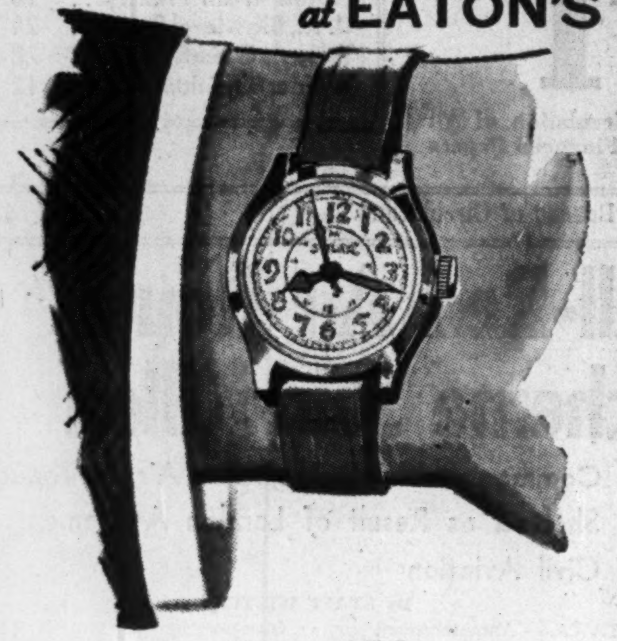
Pace of Business



The Financial Post's production index rose from 255.5 in August to 258.9 in September, a new record high. Output of plants is still increasing although full employment has been practically reached. In September flour milling was less active. Dairying, cotton textiles and newsprint gained, although the latter is expected to decline in the future. Less new business was obtained by the construction industry.

Complete business statistics will be found on page 7.

at EATON'S



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TORONTO CANADA

The War and Business

By BRUCE MacKINNON

Steno Surplus

An astonished employer informed The Financial Post last week that there seemed to be a surplus of trained or partly trained stenographers, asked if it meant that the manpower shortage is ending?

According to Bart Sullivan, head of National Selective Service in Toronto, the answer is no. Throughout the picture there has been a surplus of girls applying for stenographic positions, often with only partial training to justify their claims. Although NSS does its best to divert as many as possible to war work, the majority of these applicants prefer to wait for a typist's job. In one case, a NSS director appealed to 90 would-be stenogs to take munitions work—only two accepted the offer.

* * *

Painters' Predicament

Toronto painting contractors at the moment are among the more vocal of operators in building and maintenance trades suffering the common squeeze between rising costs and the price ceiling. They point to a wartime rise in the general hourly wage rate of their employees from 75c. to 90c. plus a $2.25 a week living-cost bonus.

Occasion of continued distress is an order of Ontario Regional War Labor Board for a 5c. increase, effective June 1, in the basic hourly wage to brush painters. Issued May 28 and confirmed July 9, the order is retroactive. Reason why the Toronto painting contractors are increasingly exercised at this late date is said to be that the majority of them haven't been paying the ordered increase and have been waiting the board's further move while facing possible prosecution under the Wartime Wages Control Order. They are represented as now entertaining some hope the retroactive clause at least will be rescinded. The protest has been that payment will cut profit margins prohibitively both for work already under contract and future business.

When war began, the contractors point out, cost of living bonuses were non-existent and the general hourly rate was 75c. with a few employees receiving more (80c.) and a large majority considerably less. Soon, it is said, the union gained a closed shop agreement for 85c. rate and other concessions in negotiations with a group of employers mostly engaged in war contract work. In 1941 Ottawa ordered a living-cost bonus of 60c. a week. This year the union asked the regional board for $1 hr. for both brushmen and spraymen, plus a higher bonus, and the board responded with the order boosting brushmen from 85c. to 90c., holding spraymen at 95c. and increasing the bonus of both to $2.25 a week.

* * *

Surprise Coming?

Reports from inside Germany indicate a growing sense of confidence in Berlin. It is thought in some quarters that the Nazis still hold a trump which they are about ready to play, and in which they have great hopes. Possible clue to Nazi confidence is the report that they have new fighter planes in the air, new bomber planes in production and in spite of pressure from the Allies, are still able to export planes to neutral countries.

Ford Facts

In a release concerning the company's activities on the Fifth Victory Loan, Ford of Canada reveals the following facts:

More than 3,500 Ford employees have enlisted in the armed services.

There are still 15,000 war workers employed in the Windsor plant.

Investing $850,000 in the First Victory Loan, Ford employees increased their investment to over $2 million in the Fourth campaign.

Average bond purchase per person reached approximately $140 in the Fourth Loan Campaign.

Ford workers continue to invest nearly $50,000 a month in war savings certificates Ford has its own blood donor clinic located right in the plant, from which approximately 12,000 donations of blood have been given in a year and a half.

The plant is the largest source of automotive military vehicles in the British Empire, Ford workers having built more than 275,000 fighting machines.

* * *

No Relief

U. S. industrialists, particularly auto and plane makers, have been rebuffed by WPB in their pleas for materials to carry out research on postwar models. It is reported that a number of such firms, including some of the largest, have full blueprints on postwar models, have reached the stage where prototype production is essential if they are to get new models on the market with little or no time-loss for conversion. For the time being, WPB's answer is no scarce materials for any purely peacetime work.

U. S. Critical Canol Project

(Continued from page 1)

ago. He hinted Army estimates for the project had been $31 millions, where actual costs ranged from $189-$200 millions. All postwar rights reverted to the oil companies, it has been rumored.

Senators Investigate

Early in September, Senators Kilgore and Ferguson of the Truman Committee, which was already aware of these whispers, flew up the Alaska Highway to investigate Canol and other American projects in the Canadian Northwest.

They were particularly interested in the operations of cost-plus contracts in that region.

Senator Kilgore told me this week he thought he and his colleagues would probably find it desirable to issue two reports—one on Canol and another on the other projects.

But following the invariable practice of members of the Truman Committee he would not discuss the reports in advance or his own reactions to the Committee's studies.

Two Approaches

Other sources indicated there are two approaches to the problem.

First is economic—is the project justified by prospects for future consumption and development in the northwest?

The answer appears to be very clear. It is not at this time. Thus the second must be from the standpoint of military expediency. The argument here is that the pipeline was necessary to safeguard Alaska's fuel supply which was—when Canol was conceived—vulnerable to Japanese submarine attack at sea. The military picture has changed with the victorious occupation of Attu by our forces and the retreat of the Japanese from Kiska. Now the question arises: is the huge expense and upkeep of Canol justified in the light of the improved war picture in the Pacific?

Presumably the Senators will have the answer.

Standard Oil Statement

Meanwhile Standard Oil, New Jersey, has issued a statement announcing its wells are ready to deliver large quantities of crude for the Alaskan war front at $1.25 a barrel. This compares with a price of crude in the U. S. ranging from $1 to more than $2 a barrel.

Oil transported from the U. S. to Fort Norman, the company notes, would cost approximately $6 a barrel.

The company's statement carefully points out that the development of "Norman Wells is one unit of the vast Canol Project being carried on in support of the Alaskan war theatre."

Imperial Oil has no part in any of these other activities.

Privateer Pays Nov. Dividends

While milling operations have been suspended at Privateer Mine for the present, financial position has allowed declaration of a dividend of 1c a share payable Nov. 10, and the board of directors has under consideration "some substantial further distribution" to be made to shareholders in 1944.

Mining has now been suspended in both the Privateer and Prident mines, all broken ore removed and all stopes cleaned down. With milling operations discontinued a clean-up of the mill is under way.

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BANK OF MONTREAL

Shipbuilding In B. C. Slows

(Continued from page 1)

Ltd.—will cause some dislocation. In Vancouver, for instance, men and women released from shipyards will have to vacate houses built for them under the Wartime Housing project, but for the coming months there is a good prospect that all available labor in the province will find employment.

Competition to Cut Off Canada

General feeling among shipyard operators is that competitive costs will eliminate Canada from postwar participation in shipbuilding other than for smaller coastal vessels, naval craft, towboats and fishing boats. Only alternative would be government subsidy that could not easily be justified.

Those who argue that if the west coast had a steel mill shipbuilding would continue indefinitely overlook several vital considerations—the world market, lower wages and highly specialized skills of the United Kingdom shipyard industry, the impossibility of constructing a steel mill even for many millions of dollars that could meet all requirements of a shipyard industry on a competitive basis.

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General Manager, presently employed, with good general and financial experience which has been gained in large industrials, wishes to make a new connection with an industry which has real peace time prospects in Canadian and Export trade. This advertiser has the ability to reorganize a business and place it in a sound operating position. Apply nearest **Employment & Selective Service Office, Refer to H.O. 596.**

LONDON CALLING by Adelphi

(Continued from page 1)

agreement had been reached, arising out of an Anglo-Portuguese treaty signed in 1234 or some such date, raised a shout of laughter. With solemn mien but twinkling eye, Winston reminded the House how the treaty had been renewed in the fourteenth, sixteenth, seventeenth centuries. He was like a judge basing his sentence upon long established authorities. Then came the glorious news that Portugal was going to allow us the use of the Azores to give greater security to Allied shipping. This action, Churchill assured the House with a solemnity that fooled no one, was not a breach of Portugal's friendly relations with Germany. The shout of laughter from the members made the very windows rattle.

It was all great fun nor did it end there. That night poor little Goebbels told the German people on the radio that the Portuguese action was not a breach of neutrality. Germany has sunk so low that even little nations can heave bricks at her without any fear. Sweden is being particularly rough with the Nazis, but then we sometimes forget the Swedish army is one of Europe's big ones.

* * *

Your Horoscope

One of the most foolish aspects of British journalism before the war was the daily column horoscopists who forecast your destiny according to your birth and the conjunctivity of the stars. I knew one shrewd young woman who bought a book on this subject for half a crown and made £10 a week for years by dishing it up to the newspapers.

Only one of the fraternity remains, "Old Moore." His almanac still comes out and he, if there is such a person, has just sent his 1944 edition to me. I have only glanced at what is going to happen in January. Old Moore is on the side of the angels. Hitler will be dethroned. Mussolini will not count. (Rather ancient news even for the old 'un.) There will be a revival of conservatism; France will introduce great reforms and the weather will be unsettled. Except for the weather it sounds like a good month and all because the Sun is in conjunction with Saturn in the sign of Capricorn. Victory, dear Brutus, lies not in ourselves but in the stars.

* * *

Savage Journalism

The most savage political journalist in Britain is Mr. Aneurin Bevan. This youngish Socialist was once a boy in the pits. Now he is an extreme leftwing M.P. and publishes a weekly diatribe called The Tribune. In its own prejudiced way it is brilliant, unfair, merciless.

Recently in The Tribune he accused a well-known Tory M.P. of having drunk copiously of Ribbentrop's champagne in Berlin after Munich. The Tory promptly sent Bevan the following letter:

"Dear Bevan: I never drank Ribbentrop's champagne at any time. It is much too bad. I have probably been more fastidious than you who, by dining so frequently at millionaire's tables in London, earned for yourself the title of "The Cliquot Communist."

Bevan did not publish the letter. He has a tough hide but that shaft was so barbed with truth that it penetrated.

This week The Tribune has attacked the Berry brothers (Lords Camrose and Kemsley) with sheer vitriol. In their newspapers they denounced the miners on strike and the ex-pit boy has taken his revenge. Bevan is a clever parliamentarian but England is a cold country in which to play the role of Danton. And all the time that phrase, "The Cliquot Communist," is suspended over his head like the blade of the guillotine.

* * *

German Diplomat

What is going to happen to that plausible rascal, Baron Rhinebaben? At Lisbon he belonged to the old Prussian charm school and was under-secretary to the German Foreign Office with Stresemann.

Early in 1939 he visited London, spoke openly of Nazis as "silly boys" and took tea on the terrace of the House of Commons. When war broke out he was sent to Portugal as head of the Gestapo there. He made the lovely summer resort, Estoril, his headquarters and entertained lavishly. It is said he corrupted hotel servants and taxi drivers with constant bribes. On one occasion at Estoril an American diplomat at the hotel found a floor waiter going through his papers. The diplomat sent for the manager and demanded the waiter's dismissal on the grounds he was a German spy.

"Very well, I shall dismiss him," said the manager, "but I warn you that a new one will also be a German spy and may not be so good a waiter."

One of Rhinebaben's agents was a ragged, tintype photographer who used to bring his catch each evening to the Gestapo chief. The British Embassy assumed Rhinebaben was a figurehead and that the real dirty work was done by men serving under him.

What will the Baron do now? Even his joviality will hardly survive the Portuguese affront. Perhaps he will be recalled. If so I would not be surprised if he emulated the German Ambassador to Spain who was ordered home in the autumn of 1941. The Ambassador stopped off in Switzerland just to spend a day looking at the mountains. He must have liked them very much for he decided that he would stay there instead of reporting to his masters in Berlin. The jovial Rhinebaben would find many of his countrymen in Switzerland and the list is growing all the time. Even Hitler is known to be very fond of mountains.

Import Ban Ease Delayed

(Continued from page 1)

War Exchange Conservation Act was first introduced early in Dec. 1940, it was intended essentially to conserve dwindling supplies of American dollars. This was prior to Hyde Park and prior to the very different circumstances which have prevailed now for some time and which have more or less solved for the duration the problem of our dollar supply position.

The most important prohibition under the Act was the list of 80 or 100 items which could only be imported if from Newfoundland or the sterling area. Today, many of these items are scarce in Canada and it is understood that the recommendations before the minister and under study by departmental officials for some time this summer would overhaul the list and in most cases remove prohibition against import.

In some cases, the same items are now in short supply in the United States so that even if the barriers were removed it is probable that the available supply for Canadians would not be greatly increased. In other items it is argued that removal of the barrier to free exchange would tend to even up supplies.

Involved in the proposed changes is also removal of the 10% War Exchange Act which it is argued now operates in many cases simply as a super-imposed impost and merely adds to the subsidy which the Government must now pay when it imports items such as cotton from the United States and makes it available for Canadians to buy and sell within the price ceiling.

It is argued that on a number of such items (in fact the bulk of items now being imported from the United States) the extra 10% is merely a bookkeeping entry which comes out of one Government pocket and is repaid from another.

Removal of the 10% War Exchange Tax and overhauling of the present barriers against most imports would presumably involve a reconsideration of subsidy policy since many items not now imported or eligible for subsidy would become automatically eligible for subsidy. It would then become a matter of WPTB or Commodity Prices Stabilization Corp. policy, as to whether a subsidy should be paid to permit these goods to be brought into Canada and sold at Canadian ceiling prices.

It is probable that nothing will be done by the Minister until the whole price-wage ceiling policy is clarified.

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ADVERTISING salesman for leading national business and financial publication. Must have successful sales record. Please apply by letter stating age, experience, marital and military status, references. Enclose snapshot if possible. Our staff have been advised of this advertisement. Apply nearest Employment and Selective Service Office. Refer to File Number HO. 531.

Prairie Cash Income High

(Continued from page 1)

tribution to wheat growers on account of these three crop years is simply distribution which accrues to individual wheat growers in western Canada whose wheat has been marketed on participation certificates and which were held until a few weeks ago by the Canadian Wheat Board. Under the Wheat Board Act it is not possible to distribute final dividends on these wheat distribution certificates until the last bushel of wheat in any crop year has been sold.

Now that the government has taken over all wheat formerly in the hands of the Wheat Board it is possible to close out these accounts and distribute the surplus to individual farmers. Under normal circumstances it was probable that western wheat growers would have received a final settlement on 1940 account between now and Christmas; that they would have had their 1941 accounts settled possibly by spring and that their 1942 settlement would not have been made until well on in 1944.

In the crop year 1940-41, about 400 million bus. of wheat were delivered to the Wheat Board of which it is understood that about 80 million bus. remained unsold. The wheat delivered in this crop was purchased at 70c. a bu. but the profit per bushel was small since there are substantial carrying charges against the account. Deliveries in the crop year 1941-42 are placed at around 160 million bus., the purchase price in that year being also 70c. a bu.

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PAYMASTER CONSOLIDATED

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(No Personal Liability)

INTERIM DIVIDEND NO. 7

NOTICE is hereby given that an interim dividend of ONE CENT per share on the issued capital stock of the Company will be paid on January 10th, 1944, to shareholders of record at the close of business on December 10th, 1943, subject to the approval of the Foreign Exchange Control Board.

By Order of the Board.

E. L. O'REILLY,
Secretary.

Toronto, September 30th, 1943.

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Weekly Record of Financing in Canada

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Municipal—	Date Issued	Sold to—	Rate	Due	Amount	Price	Yield
Sch. Comm. of Riviere du Loup, P.Q.	Oct.	Oscar, Dube & Co.	3½%	1944-58	$135,000	99.15	....
Dominion—							
Canada Treasury Bills	Oct.		....	Jan. 14, '44	55,000,000	99.892	.433%
Canada Deposits Certificates	Oct.	Chartered Banks	¾%	Apr. 18, '44	155,000,000	100	....

THE WASHINGTON LETTER

Hits Charges on War Contracts Plane Loss Critics Judged Unfair

- **U. S. to Crack Down on Spendthrift War Manufacturers**
- **General Arnold Squelches Complaints of Bomber Losses**

● WASHINGTON. — Congressional attention has been directed to war contracts by a man who seldom occupies the limelight.

He is Comptroller General Lindsay C. Warren, one of the most independent men in Washington. Responsible to Congress alone and appointed by it for a 12-year term, he has asked Congress to give him the right to pass on all agreements before final settlement is made at the termination of war contracts.

Some of the things Warren found had been included as legitimate cost in war contracts shocked him.

Canadian war contractors may feel they are in a strait-jacket compared to American manufacturers when they learn what has been passed as cost on this side of the border. Among the choicer items were — transportation for an employee's dog, a spare set of false teeth for an employee going to Russia (itemized cost $225).

Christmas greetings from employees to their relatives—$10,000 for whiskey and other liquors for an officers' club in Northern Ireland.

Vitamin pills and barbecues for employees.

Warren's attack probably presages a general crackdown on extravagance in handling government contracts here. In general, war manufacturers were allowed to go the limit on cost-plus contracts when the President lifted the lid on the American economy after Pearl Harbor and signalled for an all-out effort. Abuses have obviously been allowed to grow. Unless they are stopped, it will hamper American business leaders' efforts to establish a definite policy for the transition from war to peace.

For instance, the big aircraft plants have a legitimate claim for consideration in that they couldn't meet a month's payroll out of reserves now allowed in war profits. On the other hand, extravagant claims allowed at government expense and coming out of the taxpayers' pockets will bring their own reaction.

• • •

● Dominating question on strategy these days is—can the American bomber offensive be pressed home in spite of losses aggregating 60 planes and 593 men as were lost in the attack on Schweinfurt? The answer from General H. H. "Hap" Arnold, Chief of the United States Air Force, is that it can and it will be continued on an increasing scale. Arnold, who talks as frankly as any man in Washington, laid all his cards on the table. He doesn't like reports which lay the emphasis upon American bomber losses and the cost of raids and overlook the fact that the mission was accomplished.

He cited particularly the case of a raid upon a synthetic rubber plant in Germany which cost the United States Army 16 Flying Fortresses and many millions of dollars. But, says Arnold, the plant which was destroyed would have cost at least $20 millions and by that attack rubber production at the rate of 35,000 tons a month was completely knocked out.

As Arnold sees the air war, Germany has lost 10,000 planes in 10 months between Dec. 1, 1942, and Oct. 1, 1943.

Germany has concentrated 1,800 fighters on the coast between Denmark and Belgium under orders to attack daylight raiders at all costs. Germany thus has been stripped of air power in Italy, and the Germans do not have many planes left on the Russian front, while her bombing strength has been reduced so that she can do little more than make nuisance raids on Britain.

Certainly the Germans concentrated little important strength against the Allies in Italy, according to competent observers back from Salerno.

At the present rate of attrition the German Air Force is cutting into its reserves and will be unable to keep up the pace in the battle for the skies. The highly authoritative, if not official view, here is that the battle for the European air has entered its last phase. The Germans are straining every nerve to maintain their air strength — Allied strength, backed by a bomb-proof industry is steadily increasing.

Mont. Power Share Action

(Continued from page 1)

stood that a reduction in rates would apply to domestic, commercial and industrial electric services which last year provided the company with $24.7 millions of revenue.

Partial confirmation of this is seen in the fact that 26.6% of this sum would involve a reduction of $5.5 millions. A figure of $5 millions is the one commonly accepted by those involved as being the amount by which the Board's order would reduce Montreal Power's electric revenues.

It can be stated definitely that earnings of Beauharnois and Montreal Island Power, both subsidiaries of Montreal Power, are not involved in the Board's order.

Also definite at this stage is that the proposed reduction would apply right across the board to include power sold under contract. It does not follow, of course, that a reduction of 26.6% would be applied against large power contracts. Each would have to be examined on its own merits. For instance the Board recently approved a contract between the company and the City of Montreal for power. Such a contract possibly would not be affected in the proposed general reduction.

Effect On Earnings

On the basis of the clearer understanding that has developed since the Board's first announcement, it would appear that Montreal Power's earnings, on the basis of 1942 would be affected somewhat in the following manner:

Electric revenue	$24,705,225
Less: 26.6%	6,571,589
	18,133,636
Beauharnois revenue	*3,070,950
Gas revenue	5,253,399
Other oper. revenue	439,088
Oper. income	26,897,073
Less: Oper. charges‡	9,171,685
Depreciation	5,898,193
Fixed charges	3,146,355
Net revenue	8,680,840
Less: Tax @ 40%	3,472,336
Net oper. income	5,208,504
Add: Non-oper. income	951,513
Net profit	6,160,017
Per share	$1.37

*This figure is high: proportion of Beauharnois income shown in "Consolidated Accounts" not known.

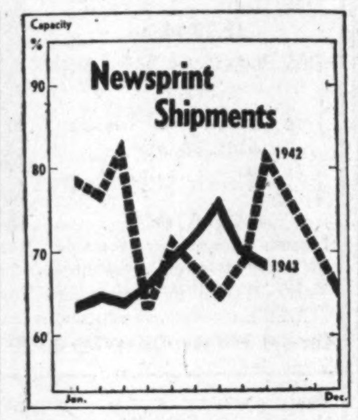
‡Including estimated municipal taxes and other operating taxes.

Important to keep in mind is that this tabulation is not official. It is merely an attempt to provide an approximate picture. The provision for taxes may be too low, but the writing down of electric property values would also have to be accompanied by a lower provision for income taxes. These are only two of many factors having an influence on the company's earnings if the Board has its way.

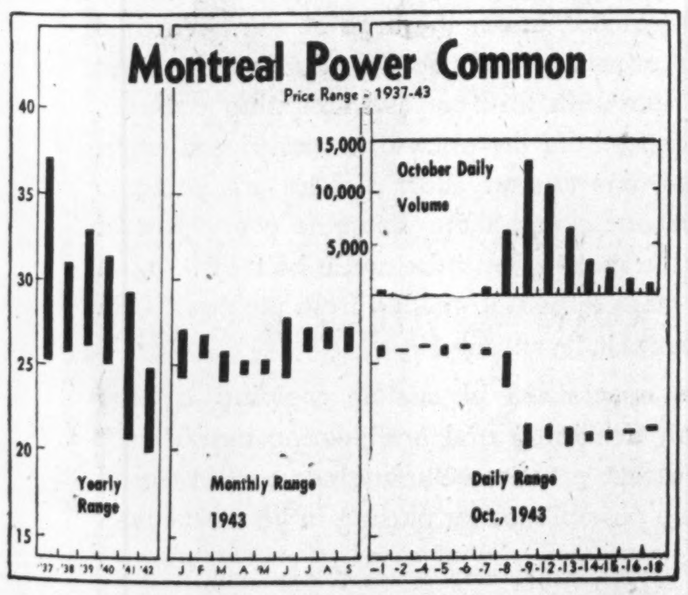
True Picture

In the above tabulation, $500,000 has been allowed for municipal and other miscellaneous taxes. Since it is impossible to ascertain what proportion of non-operating revenue is taxable, the estimated net of $1.37 might prove slightly too high. Pending further clarification, which must come from official sources, it appears that some figure fairly close to $1.37 shows the true picture, although room should be left for a margin of error of about five cents a share either way.

Market action would appear to indicate that earnings somewhere in this neighborhood are being anticipated. It would also appear that the market is more impressed by the possible rate reduction than by expropriation possibilities since share prices dropped about $6 in the face of a Public Service Board recommendation indicating a $9 per share drop.



Ordinarily newsprint shipments, particularly to the United States, start climbing in September reflecting desire of publishers to accumulate stocks before navigation closes. This year the seasonal gain is missing. Above-quota purchases in recent months left the mills unable to increase shipments.



Market performance of Montreal Light, Heat & Power common stock would appear to indicate that the scare, at least for the present, had been exaggerated. Following Premier Godbout's bombshell on Oct. 8, Montreal Power dropped almost six points — from 25⅝ to 19⅞ — but the latter low point invited very great buying support. In the hectic two days, over 20,000 shares changed hands on the Montreal and Toronto exchanges, volume thereafter steadily decreasing to 1,437 shares on Oct. 18. The low of 19⅞ has not since been penetrated. Note that Montreal Power found support at the same level in 1942. One feature of Montreal Power's market action is that there is no evidence of advance knowledge of Premier Godbout's plans affecting the market. This leakproof policy parallels the announcement of Premier Drew of Ontario regarding an Abitibi committee, an equally well-kept secret.

First List Big Loan Buyers

The following list of large individual subscriptions to the Fifth Victory Loan is furnished by the National War Finance Committee and includes only subscriptions of $500,000 and over announced up to press time.

Mutual Life Assur.	$15,000,000
Robt. Simpson Co., Ltd.	5,000,000
General Motors	4,250,000
Shawinigan & assoc. cos.	3,505,000
Bell Telephone Co.	3,500,000
Consolidated Paper	3,225,000
International Harvester	2,750,000
British American Oil	1,750,000
North American Cyanamid	1,750,000
Prov. of New Brunswick	1,500,000
Huron & Erie, Can. Trust.	1,500,000
General Steel Wares	1,000,000
Credit Foncier Franco-Canadien	1,000,000
Hudson's Bay Co.	1,000,000
City of London	1,000,000
Robin Hood Flour Mills	1,000,000
Safeway Stores	600,000
Shawinigan employees	525,000
Alliance Nationale	500,000
Montreal Coke Mfg.	500,000
National Harbor Board	500,000
Horton Steel Works	500,000
H. J. Heinz Co.	500,000

WPTB Alters Policy On Sales

Ceiling Set on Sales to Foreign Governments Buying in Canada

OTTAWA. — An important new departure in WPTB is the decision announced to board officials last week that the price ceiling must hereafter apply to all sales made to governments of other countries for consumption in Canada.

Originally there was no ceiling on any goods sold to U. S. or other governments. This is the policy heretofore adhered to in regard to the Alaska Highway and other cases where foreign governments were spending large sums of money in Canada.

Now that policy has been reversed in the belief that it leads to petty annoyance and confusion when Canadian merchants and contractors have one price for Canadians who work, say, for Canadian operators, and a different one when they work for another government but make their purchases through employers.

In many cases while the dealer profited, the Canadian Government was actually paying a subsidy on these goods (such as prunes, butter, coffee, tea, etc.) to supply them originally to the dealer or merchant.

The new policy is to be incorporated in the next published statement of Import Subsidy Policy to be issued by WPTB.

It is recognized that there will be particular cases where it would be reasonable to expect the foreign government to pay the full cost of the goods and WPTB is prepared to make exceptions on the recommendation of administrators as long as they do not run counter to the main policy and are administratively practical.

It would appear that such an approach may be practical and desirable where:

1. The goods are purchased to specifications and are readily distinguishable from civilian goods;

2. They are for the use of the foreign government or its armed forces as distinct from civilian employees who might need to purchase them;

3. The transaction is a direct one between the recipient of subsidy and the user.

Dom. Woollens Outlook Better

Worst of Labor Crisis Reached, Industry Now Rated Essential

Although operations of Dominion Woollens & Worsteds Ltd. continue to be hampered by the shortage of labor, as predicted by president Henry Barrett at the anual meeting in May, the worst of the labor crisis appears to have been reached, The Financial Post is informed.

Over the weekend, National Selective Service launched a campaign to attract more workers into the textile field, and although it is too early to assess results of the drive, it is felt that the industry will at least be free from further wholesale transfers of workers to war industry or the armed forces. The industry is now classed as essential.

At present, Dominion Woollens and other textile firms are devoting a larger proportion of activities to civilian production. A large reserve of military materials has been accumulated by the government and military contracts have been extended to cover a longer period, thus releasing capacity to meet the shortage of civilian materials. Operations are expected to continue at capacity for some time, in so far as the supply of labor permits.

DACK CREEK MINES—By agreement Aug. 24, Richard C. Paynter agreed to purchase 50,000 shares at 5c. a share, payable forthwith and received an option on 450,000 shares at 5c. a share, payable $2,000 a month for three months and thereafter $3,000 a month. Company incorporated Aug., 1943 (Ont.), authorized capital 3,000,000 shares, $1 par; issued 1,050,005.

Big Stake in Montreal Power Held by Women Shareholders

From Our Own Correspondent

MONTREAL.—Premier Godbout's plan to expropriate Montreal Light, Heat & Power Consold., is primarily of concern to women, for they represent a majority of the company's registered holders of common stock.

According to official figures provided The Financial Post, the transfer books show 29,663 shareholders, of which number 14,452 are women; 12,448 men; 1,398 estates and 1,365 corporations, insurance companies, banks, etc.

Roughly one third of all registered shareholders hold less than 11 shares each.

Largest shareholder of the company's common stock, unofficially, is the Sun Life Assurance Co. of Canada.

While the books show 29,663 shareholders, it is believed that the number of shareholders is considerably larger, probably around 35,000. Certain large blocks of stock are held by trust companies for their clients. One trust company, for instance, represents 1,400 shareholders by actual count.

Nearly two thirds of the shareholders, 18,177, reside in the Greater Montreal area; another 2,513 live in other parts of Quebec. Over 6,241 reside in other parts of Canada and 2,732 in the United States, United Kingdom and other countries.

Shareholder Distribution

Greater Montreal	18,177
Province of Quebec	2,513
	20,690
Ontario	3,972
Manitoba	318
Saskatchewan	102
Alberta	211
British Columbia	608
Prince Edward Island	80
New Brunswick	347
Nova Scotia	603
	6,241
United States	1,044
United Kingdom	1,050
Others	638
	2,732
	29,663

Canada and Russia Sign Third Lend-lease Deal

By STAFF WRITER

OTTAWA.—Announcement that Canada has formally signed the Third Lease-Lend Protocol with Russia is a delayed formality to consummate action agreed upon here last June.

The Third Protocol came into effect starting July 1, 1943, and runs for a period of 12 months from that date. Canada agreed to sign this protocol as part of her new mutual aid program, and arrangements were made last summer to draw up a list of items which this country was to supply Russia in the year ending July, 1944.

Later a special Russian mission visited Canada, and as a result Canada greatly enlarged the list of items which she agreed to ship.

The original list was based largely on supplies shipped to Russia by Canada the previous year via Britain and which were credited at that time as part of the billion dollar gift to Britain. The enlarged and amplified protocol included a number of items which the Russians sought from Canada.

Supplies of war material and equipment have already been sent direct to Russia from Canada under the protocol. The first cargo under the new protocol left a Canadian port some months ago carrying aluminum, flour, medical supplies, clothing, etc.

In the case of most agreements made under Mutual Aid, there is no formal protocol. Russia, however, inclines to this type of agreement which commits supplying nations to a formal list of materials, equipment, etc., which are to be furnished within the period.

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There's no holding back over there. Sailor, soldier, flier, they're giving *you* action with planes, ships, tanks and guns talking to the foe in the only language he understands. This is your chance to give *them* support. Buy bonds. Back our fighters as you've never backed them before. *Lend* as they fight—all-out for Victory.

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Single room with bath, $3.50.
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Double room without bath, $4.00; running water and toilet.
Double room with bath, $5.00.
Double room with tub and shower combination, $5.50.
Twin bedrooms, with tub and shower combination, $6.00.

Soliciting your appreciated patronage.

H. F. STRUCKETT, Manager

TROUP PORCUPINE MINES—By agreement Sept. 14, Frederick Ritchie agreed to purchase 200,000 shares at 3c. a share, payable by Jan., 1944, and received an option on a further 800,000 shares at 5c., 7½c. and 10c. a share. Company incorporated Aug., 1938 (Ont.), authorized capital 5,000,000 shares, $1 par; issued 1,691,900 shares.

TOWNSHIP OF SCARBOROUGH

NOTICE OF INTENTION TO REDEEM CERTAIN DEBENTURES

To the Holders of Debentures of the Township of Scarborough, dated the 1st day of January, 1940, and maturing in the years 1970 to 1972, both inclusive.

THE CORPORATION OF THE TOWNSHIP OF SCARBOROUGH

To the Holders of Debentures numbered:

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Issued under Plan for the readjustment and reorganization of certain debenture indebtedness of the Corporation of the Township of Scarborough.

TAKE NOTICE that By-law No. 3178, passed on the 8th day of October, 1943, pursuant to the said Plan, the Council of the said Corporation has authorized and directed the redemption of the above numbered debentures on the 15th day of December, 1943. Upon presentation and surrender of each such debenture at the principal office of the Canadian Bank of Commerce, in the City of Toronto, on the 15th day of December, 1943, the person entitled thereto will receive payment of the principal amount thereof, together with accrued interest to that day.

From and after the 15th day of December, 1943, interest on the principal of the debentures so to be redeemed shall cease to accrue.

Any of the aforementioned Debenture holders wishing to obtain payment of their Bonds prior to December 15th, 1943, may do so upon presenting their Bonds to the Main Office of the Canadian Bank of Commerce, where payment will be made for the Bond, plus accrued interest thereon.

Dated at the Township of Scarborough, this 9th day of October, 1943.

JAMES O. KESSACK,
Treasurer of the Corporation of

Electricity Rates

Comparisons With Montreal Light

Quebec People Look Enviously at Rates Charged by Ontario Hydro

By JOHN E. LANGDON

Possible expropriation by Quebec of Montreal Light, Heat & Power Consold., largest of Canada's privately owned electrical utilities, brings into the political arena once again the question of whether public or private ownership is in the best interests of the people.

Premier Godbout attacks the company on the grounds capital assets have been given an inflated value and the public has paid too dearly for services rendered.

Electric service is so vital to every city dweller's life, the issue now raised concerns everybody.

Its contribution is out of all proportion to its cost. The average Montrealer, for instance, spends less on electricity than he does for his daily newspaper.

Live Political Issue

Quebeckers do not understand why they are asked to pay rates higher than those charged in Ontario when they have the largest and lowest cost hydro power development in the Dominion at their backdoor. It is even more incomprehensible knowing that Ontario must import a large proportion of its power requirements from Quebec.

Public ownership advocates, into whose camp has moved Premier Godbout, admit electricity services provided under private ownership are efficient and adequate. Their principal argument for taking over this electric utility is the claim that service will be provided at a cheaper rate to the consumer.

How this is to be accomplished is not made clear, but those favoring public ownership contrast the rates charged by private operators with those of the provincially owned Ontario Hydro.

Matter of Interpretation

In the main, retail electricity rates are lower in Ontario than in Quebec. There is no real argument on that score. But, it does not follow that economically Quebec rates can be reduced to those in Ontario, or that the Quebec consumer is paying an exorbitant charge for the electricity he uses.

Are they reasonable in relation to the capital investment? Operating conditions? Consumption of energy? Costs of distribution, or the dozen and one other factors which influence the making of rates?

Can Make a Case

Using Dominion Bureau of Statistics figures, it can be shown that on the basis of the return to the distributor per average kilowatt hour, cost of electricity in Quebec is lower than that for any other province. Also it can be shown that between 1920 and 1941, Quebec's costs were reduced much more sharply than in Ontario.

Trend of Electrical Utilities' Revenue
(Cents per kilowatt hour)

	1941	1920	% Decline
Prince Ed. Island ..	4.90	8.34	41.4
Nova Scotia	1.48	4.86	69.6
New Brunswick ...	0.83	4.18	80.2
Quebec	0.39	0.77	49.4
Ontario	0.58	0.64	9.2
Manitoba	0.62	1.24	50.0
Saskatchewan	0.97	4.27	77.3
Alberta	1.98	2.33	15.0
British Columbia ..	0.72	1.09	34.0
Canada	0.56	0.82	32.0
United States	1.90	2.58	73.6

Accurate But Misleading

These are official figures. They are accurate but misleading if taken at face value. Only when the composition of the revenue is analyzed does it become apparent that such an extraordinarily low over-all figure for Quebec is due to a huge volume of industrial sales at very low rates.

For instance over 63% of Quebec's power sales rank in the "large power" class. Another 25% of the output is exported at equally low rates.

The cream of the electricity business is represented by retail sales—domestic, commercial, small power, etc. Yet in 1940, less than 6% of Quebec's sales fell in this class. For the same year, nearly 22% of Ontario's sales were retail.

Distribution of Electric Energy
1940

	Canada	Quebec	Ontario %
Domestic	8.05	2.00	12.10
Commercial	4.00	1.90	4.95
Small power	1.85	0.70	2.39
Street lighting ...	0.90	0.25	0.81
Tramways	1.50	0.81	1.29
Mining	5.50	2.64	6.48
Wood & paper ...	28.45	35.40	17.00
Other large power	22.35	25.00	29.58
Line losses, etc. ...	10.30	6.00	12.20
Export	10.00	25.30	13.20
	100.00	100.00	100.00

Montreal vs. Toronto

According to this report, another D.B.S. report on electricity costs, net monthly cost of 60 kilowatt hours of electrical energy to the Montreal consumer is $2.02. The cost to the Toronto consumer for a like amount of energy is $1.41.

In both cases, the "cost" quoted includes an 8% tax imposed by the Federal Government. To the bill received by the Montreal electricity user is added a 2% tax imposed by the City of Montreal and a 2% tax imposed by the Province of Quebec.

Then, too, Montreal Power pays an income tax to the Federal Government. It amounts to roughly 20% of gross revenues. Toronto users do not pay a municipal, provincial or federal tax, aside from the 8% sales tax which is uniformly applied to all electricity users.

One estimate is that when tax tax charges are eliminated the actual amount received by Montreal Power for providing 60 kilowatt hours of

Electricity Rates Compared

A cross-section of Canadian cities, together with a selected group in the Eastern United States, provides the answer in part. The figures are given without qualification, except as noted.

MONTHLY COST OF ELECTRICITY‡
(Based on 1941 rates)

	Domestic (60 Kw.H.)	Commercial (1 Kw. Installation 150 Kw.H.)	Small Power (1 H.P.) 100 Kw.H.)
Montreal	$1.80	$4.20	$2.67
Quebec City	1.79	4.25	2.61
St. Jean*	2.10	5.10	4.17
Toronto*	1.31	2.97	1.81
Ottawa*	1.38	2.97	1.48
London*	1.30	2.25	1.34
Kitchener*	1.24	2.52	1.52
Hamilton*	1.30	2.05	1.27
Windsor*	1.67	2.88	1.73
Halifax	2.10	6.25	2.75
Saint John	1.89	5.19	3.48
Winnipeg*	1.20	4.10	2.12
Regina*	3.06	5.84	4.28
Calgary*	2.56	7.50	1.56
Vancouver	2.04	4.30	2.64
Boston	3.30	9.75	6.50
New York (Queen's)	3.07	7.99	4.08
Buffalo	2.46	4.76	3.62
Syracuse	2.64	6.35	4.78
Niagara Falls	2.47	4.36	3.62

*Publicly-owned system; all other systems privately-owned.
‡Returns for Canadian cities do not include special municipal, provincial and federal taxes on electricity bills, but do include income and "excess profits" taxes for privately-owned systems.

domestic consumer is around $1.50. This contrasts with $1.31 in Toronto. The spread, therefore, is some 19 cents and not 71 cents as might be thought from a casual reading of the government's report.

Fundamental Differences

A fundamental difference in the rate schedules of the two provinces, is that those of Hydro vary depending according to distance from main generating stations. Those in Quebec, on the other hand, are uniform.

Then there is plant capacity and investment. By capacity is meant the provision of the necessary plant to take care of present and anticipated growth in services.

The power supply situation in Ontario, it is claimed, has not developed along normal lines. At all times there should have been available a minimum spare capacity at least equal to 33% of the peak requirements. This is the average considered desirable and dictated by experience in the United States and other parts of Canada, according to utility authorities.

From 1920 to 1930 there was never any spare capacity available in Ontario. In 1930 purchases of power from Quebec producers brought about a period when spare capacity became available for the first time. In 1932, this spare reached a peak equivalent to 32% of maximum requirement. This situation, normal for all utilities, was modified in 1935 by cancellation of the Quebec contracts.

In following this policy Ontario Hydro saved the capital cost and the financial responsibility involved in furnishing the extra power capacity. The cancellation of the power contracts in 1933 and subsequent reinstatement at lower rates, saved Ontario Hydro many millions.

The principal point in this connection is that Ontario Hydro's capital investment in plant has been substantially less than would have been the case had it developed its own sources of supply, together with what experience has indicated is a normal spare capacity. This has had an important bearing on Hydro's rate structure and is cited by utility experts as one reason why Ontario Hydro makes a relatively good showing.

Exports of Electrical Energy From Quebec to Ontario

	Millions of Kw.H.
1920	44.9
1925	165.5
1930	960.7
1935	1,842.4
1940	3,426.3
1941	3,597.9
1942	4,136.6

Another factor having an even more important bearing on the rate structures in Quebec and Ontario is the market for electricity, with which is associated ability of the consumer to pay for the service.

It is generally recognized that the purchasing power of the Ontario citizen is considerably higher than for the average in Quebec. It is to be seen in his ownership of automobiles, radios, refrigerators, homes and the usual items by which purchasing power is determined.

This large buying power is reflected in consumption of electricity.

Average Use and Cost—1941

	Domestic Yearly consumption kw.h.	Domestic Revenue kilowatt-hour cents
P. E. I.	630	5.26
N. S.	691	4.27
N. B.	591	4.59
Que.	724	2.95
Ont.	2,002	1.42
Man.	4,031	1.01
Sask.	862	4.78
Alta.	657	5.03
B. C.	1,016	2.80

Manitoba's pre-eminent position in this listing is explained by conditions in the electric utility field in Winnipeg where the very extensive use of electricity for domestic water heating has boosted average yearly consumption per customer to an abnormally high level, contributing to low cost per kilowatt hour of energy used.

As indicated average domestic consumption per customer in Ontario was about 177% greater than in Quebec, while costs in Quebec were 108% greater than in Ontario.

Taxes represent the third factor bearing on rate structures.

Naturally no government will admit inequality of taxation as between electricity customers. But the fact is that over 20 cents of every dollar of revenue taken in by the privately-owned companies not only in Quebec, but elsewhere, finds its way into government coffers, and principally that of the Federal Government. The amount paid by the publicly-owned systems is negligible by comparison.

Between 1935 and 1942, taxes paid by Quebec's privately-owned electrical utilities increased 350%.

Tax Payments by Quebec Electric Utilities
(Millions of Dollars)

	Municipal	Provincial	Federal	Total
1942	$2.2	$0.5	$15.0	$18.0
1941	2.0	1.6	11.5	15.1
1940	2.1	2.8	6.6	11.5
1939	2.0	1.8	2.9	6.8
1938	1.8	1.2	2.5	5.5
1937	1.6	1.2	1.6	5.4
1936	1.5	1.2	1.5	4.6
1935	1.6	0.8	1.6	4.1

Feature of this table is the growth in Federal taxation—838% in 8 years. These returns do not include the 8% "sales tax."

Quebec utilities recognize the government's need for revenue in wartime. At the same time they would like to see all electric customers treated alike. They contend that if the publicly-owned systems paid the same proportion of their dollar revenue in taxes to the Federal Government, reserves could be lowered and the rate structure left unchanged.

Those who favor public ownership naturally claim that Ontario Hydro and other publicly-owned systems do not operate at a profit. Hence there is nothing for the Federal Government to tax.

The Consumer Pays

Irrespective of the merits or demerits of this phase of utility operation, a large share of the difference in rates as between Quebec and Ontario is due to taxes imposed on private enterprise by government. Important, too, is the fact that revenue from this source, if not available, would have to be raised by the government from the people through some other form of taxation.

In the particular case of Montreal, the Public Service Board claims the valuation placed by the company on its electrical property is too high and that rates should be adjusted downward. The company does not agree and will defend its position at a hearing next month.

But whether Montreal rates are too high in comparison with those applied elsewhere, those who have given years to a study of rate structures, especially as between Quebec and Ontario, have this to say:

"Even if the electrical utility industry in Quebec had been municipalized at the same time as in Ontario, rates today would be higher than in Ontario. This could not be otherwise, unless the government subsidized the service. The fact is that general conditions and the possible market in Quebec are not conducive to rates as low as in Ontario."

Kelvinator Slows Down

Explaining the recent lay-off of some 300 employees from the London, Ont. plant, C. W. Hadden, general manager of Kelvinator of Canada, sent a letter to the employees giving the reason for discontinuance of Bren Gun magazine production.

A telegram from the Department of Munitions & Supply was included, in which it was stated that military authorities had advised that the Bren Gun no longer is considered to be a highly effective weapon against aircraft and that only a limited number of 100-round magazines will be needed.

The company stated that it hopes soon to get back into some new line of production and that Ottawa officials were studying possibilities for new contracts for the manufacturers of magazines for another weapon in the Kelvinator plant.

Explanation

Following are excerpts from the general manager's letter:

"Kelvinator of Canada was awarded a contract by the Department of Munitions & Supply to develop and manufacture the 100-round magazine which up to the time we started producing had never been built. This involved about eight months' preliminary work on our part here or a period running from Aug., 1941, until approximately May, 1942, when we started producing in quantities.

"Our original orders for these magazines and our commitment as to daily and monthly rates of production were originally very low but the business certainly grew as far as orders were concerned and due to the excellent work of our staff and to you men and women who were engaged in production, we were able to successfully increase production and reduce costs and at the same time turn out a product which has never failed in operation as far as our knowledge goes. In August and September of this year we had attained a production which was about four times what we had originally planned to build at a cost to the Department of Munitions & Supply of approximately one third of the original estimate.

"Now, due to the changing conditions of warfare and the needs of the armed forces, the Department of Munitions & Supply has been forced to tell us to suspend Bren Gun magazine production at the end of this month."

The Bondholder

Making the most of Victory Bonds was the subject of an article on the second front page of The Financial Post last week. Gist of the article was that by putting his coupons to work the holder of even a small number of bonds could treble his money. The sample case was that of the holder of $1,000 worth of bonds from the seven war and Victory Loans to date, who is now 27 years of age.

Put into insurance, into a life annuity, or immediately reinvested at 3%, the $1,000 bond can be increased to upwards of $3,000.

Since the article appeared, The Post has received thanks from bond men actively selling small denominations to employees, who frequently hear the complaint that the interest payable is too small to be worth borrowing. But among the comments came a suggestion that The Post plan was a piker, that a victory bond could be made to yield over 7%!

* * *

The correspondent states that by using his war bonds as collateral, he has been able to buy approximately 99% of their value in a public utility bond yielding 8%. This gave him a total of around 11%, adding in the 3% on the war bond, against which he had to pay 4% to the bank on his loan, leaving the net of slightly over 7%.

Since he refers to netting this income for three years past, it is apparent that the correspondent bought his utility bonds shortly after the market low of 1940. It would be considerably more difficult to locate a utility bond offering anything like 8% with any degree of safety today.

But this point is secondary. The Post plan provides its gains with safety. Pyramiding on the basis suggested by our correspondent undoubtedly brings a higher return, but the return is only paid because the risk is greater. In effect, it is another example of margin buying, and if our correspondent's speculative bond should collapse in the market his entire investment could be wiped out. No such fate is likely to befall the investor who follows The Post's plan of investing his interest in insurance, annuities or more government securities.

There is nothing essentially wrong in our correspondent's suggestion; in fact, an aggressive policy is often most desirable, but it should be recognized that it is a risky proposition and that a market fluctuation could seriously jeopardize the entire investment.

Market Opinions

Magazine of Wall Street, N.Y.—One of these days numerous "peace" stocks, especially those now selling on a low yield basis, are going to reveal "air pockets" under them much bigger than those shown in the recent reaction. If you think that either the super-abundance of bank deposits or the absence of a big margin position is any guarantee against important declines in any stocks, take a look at how far down the previous high-flyers among the air line stocks have recently nose-dived.

* * *

Brookmire Counselor, N.Y.—As Congress buckles down to the task of increasing taxes so as to pay for a larger proportion of the huge war cost, more attention is being paid to influences acting as a restraint on corporation earnings. A more realistic attitude toward the length of the war is also serving to dampen market sentiment. Although the time to repurchase stocks may come before long, prudence still suggests retention of the substantial cash reserve at present price levels and under prevailing uncertainties.

* * *

Barron's, N.Y. (The Trader)—Obviously there is a lack of dynamic force in the market at the moment. It arises principally from the high individual income tax rates, which for the wealthy eliminate any benefit from additional income. The technical position by virtue of the moderate short interest is not such as to bring about a recoil in prices which professionals would be prompt to attempt to capitalize. But, by the same token, there is nothing in the credit structure to liquidate. Cash is still abundant and, once the present fear complex dissolves, there is every reason to suppose that preference for properties over cash will again become a dominant influence.

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Mining Options

BAGHDAD-LARDER MINES—By agreement Oct. 6, Junior Golds Securities Corp. agreed to purchase 50,000 shares for $2,500 payable forthwith, and received an option on a further 1,450,000 shares at from 5c. to 25c. a share, payable $2,500 every 90 days. Company incorporated Apr., 1937 (Ont.), authorized capital 3,000,000 shares, $1 par; issued 1,120,005.

* * * *

RUSSETT RED LAKE GOLD MINES—By agreement Sept. 21, William Fairburn agreed to purchase 113,000 shares at 5c. a share, payable within two months and received an option on a further 687,000 shares at 5c. a share, $1,500 payable within four months and $1,500 each two months thereafter. Company incorporated Sept., 1943 (Ont.), authorized capital 3,000,000 shares, $1 par; issued 1,153,005.

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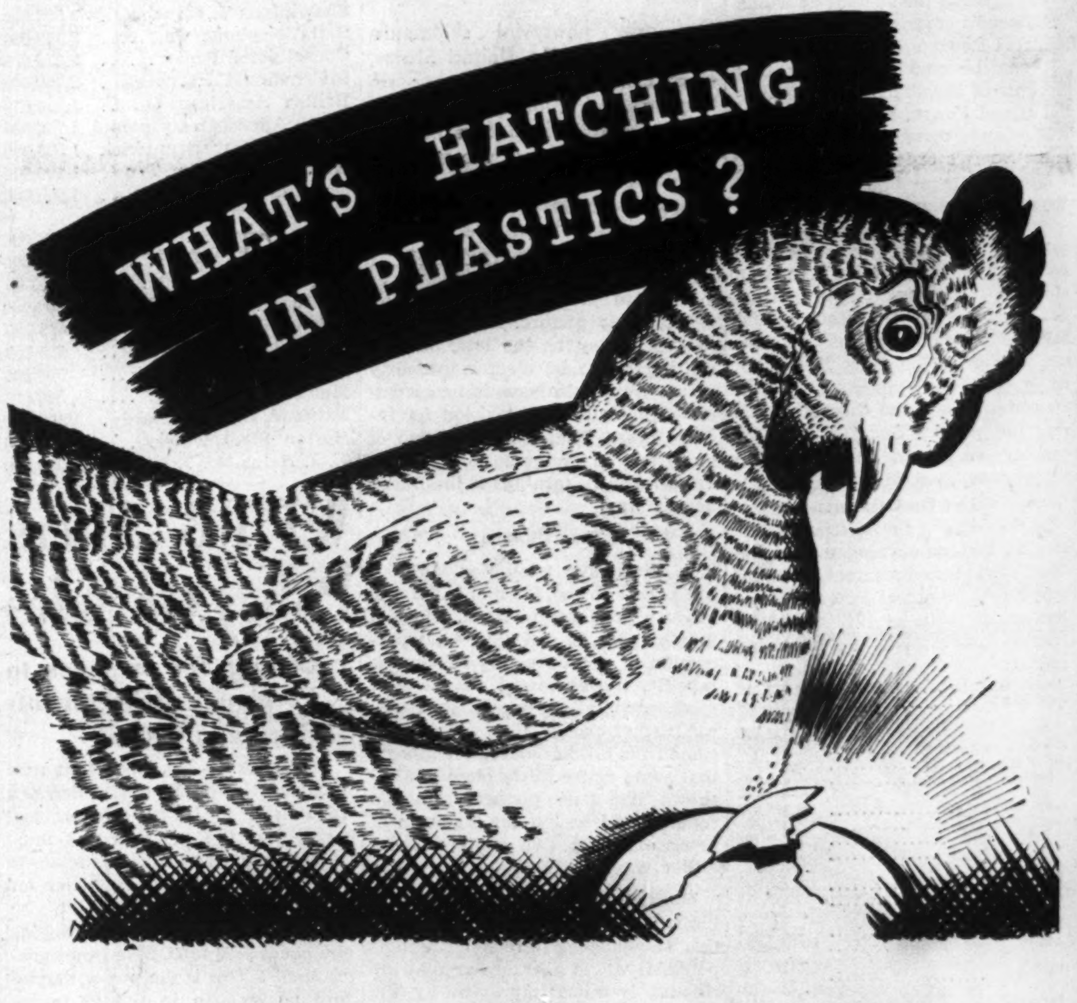
THE TIME — Luncheon 12.30 Noon
THE PLACE — Royal York Hotel
THE DATE — Tuesday, Oct. 26, 1943
Tickets $1.00
IMPORTANT
Because of wartime restrictions the attendance will be limited to 800, so purchase your tickets now at—

RALPH W. CARNEY

The C.N.R. Ticket Office, The C.P.R. Ticket Office, King and Yonge Sts


WHAT'S HATCHING IN PLASTICS?

Planning now on the postwar application of plastics in your business is sure to pay dividends. Now is the time when postwar plans should be hatching.

Today the modern plastics industry suffers growing pains, due to extra rapid expansion under the urge of war. Wartime demands for a metal substitute, for rapid production, for light weight combined with strength, for a corrosion-resisting material, have proven that plastics hold the answer to many production problems. Now is the time to study how plastics are going to help you to meet postwar competition. Examine every part of the product you plan to make. Can it be made better . . . more cheaply . . . or have more appeal if molded from plastics? Can it be molded from plastics in its entirety?

Reliable Plastics specializes in custom molding by the injection process. Our designing and engineering department is attuned to modern plastic practice. Our engineers will be glad to discuss with you the possibilities for plastics in your business.

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RELIABLE PLASTICS
A DIVISION OF RELIABLE TOY COMPANY
258 CARLAW AVENUE, TORONTO — ESTABLISHED 1920

Bus, Truck Men to Ask Vehicle Manufacture

Two National Associations Will Appeal to Ottawa as Equipment, Labor and Financial Problems Grow

At their annual meetings last week in Toronto, both the Canadian Automotive Transportation Association and the Dominion Motor Coach Association decided to press for immediate partial resumption of truck and bus manufacture and an improved supply of replacement parts. In addition, CATA decided to ask the government to make military vehicles available after the war in co-operation with the industry's rehabilitation plans.

The truckers (CATA) will press Ottawa, The Financial Post is informed, for a three-point program of immediate aid to sustain the industry's wartime service and fitness for postwar responsibilities:

The national association will ask that the industry's remaining personnel be left intact and that its labor calls be placed in the highest NSS rating. In B category under the recent labor priorities order, the industry, it is stated, now has 70% of its experienced peacetime personnel in the armed forces and war industry with another 12% callable under the latest manpower drafts, and available replacements shrinking rapidly in number and efficiency.

Ottawa will be asked to arrange for manufacture of sufficient trucks, truck tractors, trailers and replacement parts to replace or maintain essential equipment and services during the remaining period of the war. It is pointed out all highway equipment has been wearing rapidly and that maintenance and operation costs have risen steeply in consequence.

To Ask Rate Boost

The industry, nationally and collectively, will ask that it be permitted to adjust its freight rates so that it may be restored to a satisfactory earning position, and to this end also will request restoration of all trade discounts on parts, etc., removed by government orders. In addition, CATA spokesmen inform The Post, request will be made for permission to build tax-free reserves for deferred maintenance. Claim is made it is impossible to depreciate further, that a four-year depreciation period has expired, and that these vehicles are now so worn that maintenance has become prohibitive.

In discussions on the industry's financial stability reference was made by Ontario delegates to the application recently made by Ontario ATA for collective rate increase. As a precedent for overall relief of this character, it was stated that all mail contract carriers in Canada had been given an increase of 10% effective Oct. 1, 1942.

To Form National Council

All national organizations with a stake in highways and highway transportation will be asked to enter into formation of a Canadian Council of Highway Users, similar in character to the British Roads Federation in the United Kingdom and the U. S. National Highway Users' Conference.

Prime movers are the two representative national associations of public commercial carriers, Canadian Automotive Transportation Association, and Dominion Motor Coach Association.

It is not proposed, The Financial Post understands, to make a joint submission in response to any government invitation for postwar recommendations, but while individual briefs might be returned by such already constituted bodies as the CATA (truckers) and DMCA (bus operators), the proposed council is said to promise integration of common policy as regards broad postwar aims of all groups using highways.

Council's Chief Purposes

Some of these aims were enunciated by CATA secretary-treasurer William Noble, Winnipeg:

An extensive, well designed highway construction and improvement program and avoidance of uneconomic public works.

Re-employment of highway transportation personel now in the armed forces and the absorption of substantial labor forces as new recruits to the industry; to that end, the establishment of the industry's own employment offices and vocational training courses.

Introduced by J. L. Stewart, Montreal, secretary, Canadian Automobile Chamber of Commerce, Chester H. Gray, Washington, director, U. S. National Highway Users' Conference, said there was a "feeling" in Washington, "and maybe in Ottawa," that some production of automobiles, trucks and buses soon may be necessary. He described transportation "as important as production" and said highway transport industries directly and indirectly may employ up to 15 million persons after the war.

The joint meeting of the two associations was the first on record and was arranged to integrate comprehensive postwar re-employment plans.

DIRECTOR

Albert A. Audette, Montreal, who has been elected a director of Laura Secord Candy Shops Ltd. Mr. Audette has been manager of the Montreal and Quebec Laura Secord shops.

Officers elected by the two associations were:

Canadian Automotive Transport

GEORGE E. PARKE, Toronto, honorary president.

MORLEY J. PAPE, Coville Transport Co., Toronto, president.

J. TAYLOR, Calgary, first vice-president.

NORMAN J. EMBLEM, Montreal, second vice-president.

W. M. NOBLE, Winnipeg, secretary-treasurer.

Dominion Motor Coach

H. C. PATTEN, Gray Coach Lines, Toronto, honorary president.

H. HUSBAND, Vancouver Island Transportation Co., Victoria, honorary vice-president.

R. G. PERRY, Provincial Transport Co., Montreal, president.

J. C. BARKER, Gray Coach Lines, Toronto, secretary-treasurer.

Regional vice-presidents: British Columbia; I. W. NEIL, B. C. Motor Transportation Co., Vancouver; Alberta: G. B. FAY, Western Canadian Greyhound Lines, Calgary; Saskatchewan, MANFERD BURLEIGH, Northland Greyhound Lines, (vice-president and managing director, Canadian Greyhound Lines, Windsor); Manitoba, M. W. HILL, Clark Transportation Co., Winnipeg; Ontario, A. H. FOSTER, Gray Coach Lines Ltd., Toronto; Quebec, H. J. CURTIS, Provincial Transport Co., Montreal; Nova Scotia, GEORGE THOMPSON, Acadian Coach Lines Ltd., Halifax; New Brunswick and Prince Edward Island, W. W. ROGERS, SMT (Eastern) LTD., Saint John, N.B.

Beatty Bros. expects that its annual report, to be released in December, will show earnings somewhat lower than in 1941-42, due to a considerable falling off of war contracts during the year ended Aug. 31, 1943. Domestic production, it will be revealed, has been maintained in fairly substantial volume, though necessarily limited by government restrictions and labor problems. Conditions in the current fiscal year are understood to be similar to those noted above.

The Shareholder

Postwar consumer purchases of household goods are clearly anticipated in the prices of stocks of companies who supply articles of household equipment. Inspection of indices of U. S. stock in movements for a number of groups of stocks, classified by type of product, shows the index of household products to be the only one which has regained the ground lost in the last market decline and gone on to new high levels. Other groups now very close to previous highs are office equipment and petroleum shares.

Since the beginning of 1942 the household product index has risen, widening the spread between it and the general index.

Canadian stocks of companies manufacturing household products are too few for the construction of an index, but the tabulation found below shows the changes in stock prices of several companies engaged wholly or partly in the business of manufacturing semi-durable consumers' goods. These changes measured as percentage increases from 1942 lows to present prices, show that with one exception, Canadian General Electric, they are greater than that of the Montreal index of industrial stock prices, measured on the same basis. Of the issues considered, only three show an increase less than that of the Toronto index. These are, in addition to General Electric, Dominion Oilcloth and Canadian Westinghouse.

	Low 1942	Current 1943	% of 1942 low
Can. Marconi	0.35	1.85	528
Electrolux	2.50	9.25	370
Beatty Bros., A	6½	23½	362
Easy Wash. Mach.	2⅛	7⅝	359
Gen. Stl. Wares, c.	5	13	260
Kelvin. of Can., c.	6⅜	13½	211
Enamel & Heating	2½	5¼	210
Robert Mitchell	10¼	18½	171
Can. Wallpaper, B	8	13	162
Toronto Ind. Index	79.85	122.17	154
Dom. Oilcloth, c.	20	30	150
Can. Westingh'se.	34½	47	148
Mtl. Ind. Index	53.5	77.9	146
Can .Gen. Electric	190	211	111
Average (excluding indices)			253.5

All the stocks considered showed an average increase of 153.5% and in many cases the rise reached remarkable proportions, Canadian Marconi topping the list with a 428% increase. It is to be noted Canadian Westinghouse and Canadian General Electric are both high priced stocks, and are not very actively traded. The companies are, moreover, engaged to a great extent in the manufacture of equipment for industrial use. But in spite of these exceptions, it is apparent that the Canadian market is also taking an optimistic view of the household equipment industry in the future.

• • •

Evidence that Canadian stocks and prospects for Canada's postwar prosperity are regarded favorably by many American investors is contained in an investment letter published by Fitch Investors' Service. Following are some extracts:

"An investment in sound Canadian industrial enterprises has much to recommend it. Aside from participation in the future development of that vast country, the present discount of about 10% in the exchange value of Canadian money against the American dollar gives American investors an additional advantage. It is a fair assumption that not long after the end of the war, when the enormous war expenditures will cease, the Canadian dollar will reach parity once more and Canadian security prices should rise accordingly. It is also likely that the special 15% withholding tax on dividends paid to non-residents will be discontinued at that time. This would therefore seem a good opportunity to buy sound Canadian issues, depending, of course, upon careful analysis and selection.

"In reference to the much discussed postwar employment problem, Canada seems much better situated than our own country and other highly industrialized nations. While it is debatable, whether or not the United States has reached its economic maturity, there can be no question of Canada's status as still being in the early stages of economic growth. She still has vast areas of undeveloped agricultural lands and other resources, such as minerals, oil and timber, while fishing and fur trapping offer additional opportunities to all those of its inhabitants who might not be able to find jobs in the industries which are centralized in urban areas. In other words, there is still the freedom and opportunity of 'The Pioneer's Frontier.'"

Aluminum Co. Opposes Order

From Our Own Correspondent

MONTREAL.—Aluminum Co. of Canada has asked the Regional War Labor Board to reconsider its order that the company pay Quebec employees governed by P. C. 5963 overtime at the rate of time and a half for all work done after eight hours in one day, or as the alternative, grant the company permission to appeal to the National War Labor Board.

It is pointed out that manufacture of aluminum is largely a continuous process: full crews, or nearly full crews, must be maintained at all times. In the pot rooms, there can be no shutdown whether or not all men turn up for work. To meet this fundamental condition, the company devised the present system for overtime and is unwilling to see it abandoned without some justification.

The company also asks that consideration be given to shift workers who, in the normal course of changing shifts, or for reasons of personal convenience, are allowed to exchange shifts with fellow workers. Such a worker might sometimes work 16 hours a day, but on the average work only 48 hours a week.

A similar situation applies to day workers where the company has allowed standard hours slightly to exceed eight hours a day so that employees could have Saturday afternoon off.

PowerCompany States Record

Tells Godbout and Service Board About Rate Reductions

From Our Own Correspondent

MONTREAL.—With paid advertising space in the French and English dailies, Montreal Light, Heat & Power Consold. is stating its position with regard to the expropriation and rate adjustment action announced last week.

Specifically the answer of the company is directed to Premier Godbout and, at the same time, to the people of the province, customers and shareholders of the company.

On the charge of being a monopoly, it is pointed out that the electricity business is essentially a monopoly. Further the company claims that the government itself was too free in the early days in granting franchises and that, through amalgamation, duplication of services have been eliminated. This has resulted in the creation of "the most economically operated public utility of its kind on the continent with a present credit standing superior to that of the province itself."

Not in Balance Sheet

To the Premier's charge of exploitation, based on alleged millions of dollars of capitalization represented by franchises and goodwill, the company replies that the value of goodwill has never appeared in the balance sheet of either the present concern or its predecessors. Further it says no specific value has ever been attributed to franchises on the books of the company.

Turning to the Public Service Board's allegations of overvaluation of assets employed in the electrical division, the company states that present values or replacement costs have been completely ignored. "Cost, except in the case of imprudent investment, is generally much lower than values of today."

Different Views Expressed

The disparity of views as between the Prime Minister and the PSB are then stressed. The government proposes to take over the electrical branch of the company business only. The Public Service Board seeks to fix rates on that branch of the business on the basis of "joint" operation by the company of both electricity and gas.

Assuming that the government can operate the system as efficiently and economically as does the company, Mr. Godbout is asked if he realizes that, if rates are fixed on this basis and the government takes over the electrical branch of the business only, the government will be forced either to increase rates for electricity or operate at a deficit.

In concluding the statement signed by John S. Norris, president, the company says the investing public should ask Premier Godbout why he has proceeded on the assumption that the company will not be able to justify its position before the Board or, in other words, why he has prejudged the case.

Private Enterprise on Trial For Its Life

The businessmen of America have learned many things during this war. They have learned new industrial processes, the manufacture of new weapons, the conservation of manpower and materials, the production of goods on a scale never seen in the world before. But they have learned something more important than that. They have learned that their whole system of free enterprise is now on trial for its life.

This undoubted fact was well put the other day by Eric A. Johnston, President of the U. S. Chamber of Commerce, and one of the most enlightened businessmen of our time. He said, in effect, that if private enterprise could not assure the workers full employment after the war, they might well decide to trade their freedom for some other form of government which promised them security.

This is a real danger. And it is, of course, the hope of all totalitarian movements like the CCF, all reformers who would concentrate the control of our economy and our society in the all-wise central government.

This hope, we believe, is vain. Private enterprise will survive its test because, in the end, it can produce and has produced in America the highest living standards and the maximum freedom ever known among men. Given its chance, private enterprise can keep America at work after the war, and steadily raise its living standard.

Private enterprise cannot do this if it is given no opportunity of profit, if it is taxed to death, if enterprisers see no use in risking their money in investments which cannot succeed. Certainly private enterprise cannot survive under the policy recently laid down by Mr. Coldwell for Canada—the threat to socialize a large part of it now and the rest later. Under such a threat of ultimate expropriation, private enterprise simply will not risk its money in the development of our resources and, as it fails, the state will have to take over.

But on the other hand, the sole responsibility for the maintenance of private enterprise and individual freedom, does not rest with the government. It rests equally with business. That is what Mr. Johnston means and what every thoughtful businessman has learned in this war.

If private enterprise is to survive, if it is to be worthy of survival, it cannot return to its prewar pattern. It must assume new responsibilities for its workers. It must provide a maximum of employment at a minimum of profits, a maximum of goods at a minimum price. It must understand that its supreme purpose is to provide jobs for our people, production for their use, a steady increase in wealth as technology advances.

Here, as Mr. Johnston says, private enterprise has no choice. It must do these things or perish, for if it fails the people will accept some other system as they have accepted it in many other parts of the world.

The solution for America is becoming clear now to most industrialists and to most workers. It is not the solution of private enterprise doing as it pleases, without regard to employment and production. It is not the solution of the state running everything and everybody. The solution will be found, first, in free countries in a maximum development of private initiative when it is assured that its expansion will be safeguarded from unnecessary restraints. The solution will be found, second, in the expansion of state enterprise into those fields where private enterprise cannot carry the load. The solution will be found in the partnership of the state and the private enterpriser, not in the submergence of either.

Editorial reprint from October 12th issue of THE VANCOUVER SUN.

The above editorial, we believe, reflects the feelings of the large section of British Columbians who prefer Vancouver's ONLY home-owned evening newspaper —

THE VANCOUVER SUN

Over 80,000 Daily Subscribers

SMARTNESS AND EFFICIENCY
R.C.A.F. OFFICIAL PHOTOGRAPH

...THEY'LL *REMEMBER* THESE QUALITIES!

When you see members of the forces swinging along with smartness and precision, remember that their fine appearance is not superficial; it is a visible indication of the efficiency and thoroughness which are basic qualities in the services.

Now, the women who are serving Canada today are the housewives of tomorrow — they are your customers-to-be. When they return to civil life, they will bring with them a keen appreciation of the value of smartness and efficiency — not only in people but in products and packages as well.

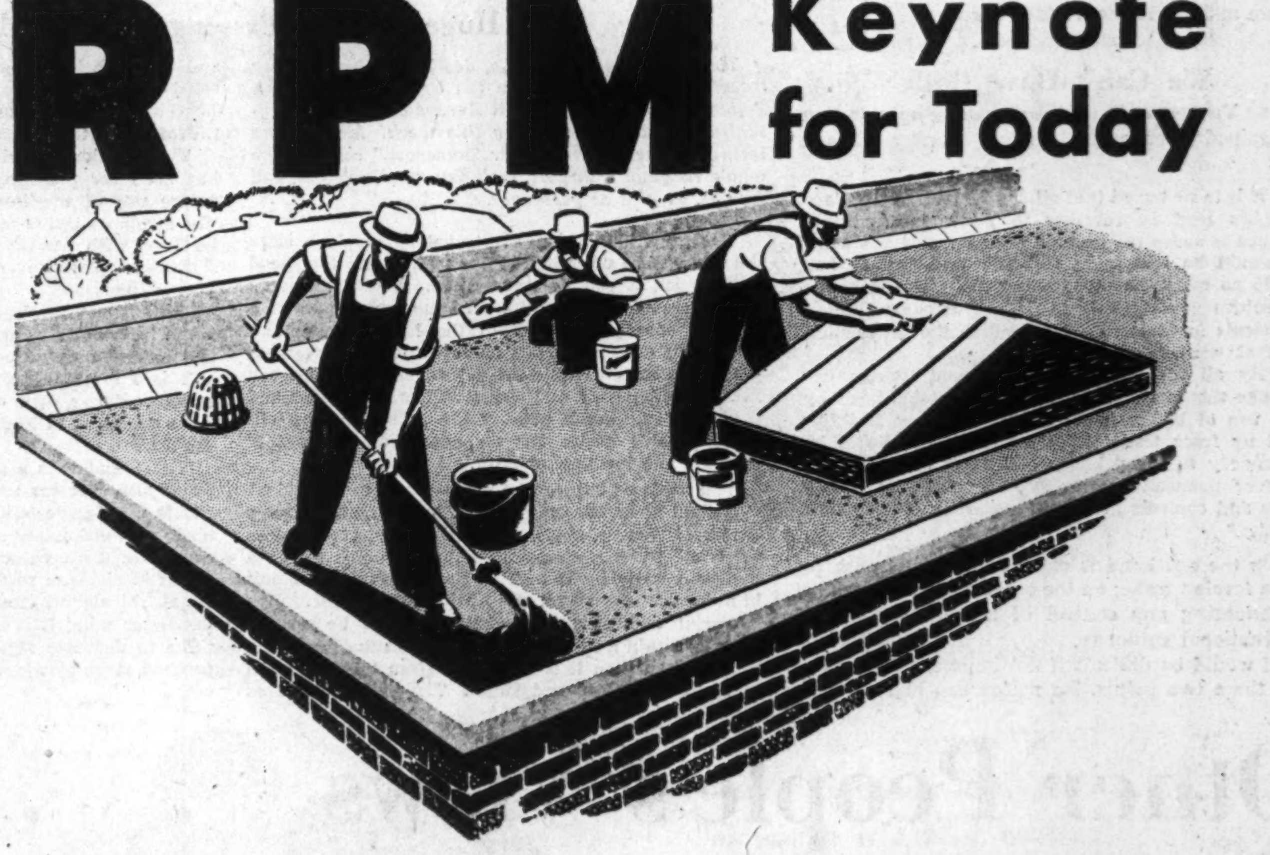
Keeping this in mind, manufacturers and retailers should remember that "Cellophane" possesses these basic qualities in a high degree. As a packaging medium, this film certainly has smart appearance, but more than that —as a protective wrap the efficiency of "Cellophane" has been proved beyond question in war as well as peace.

At present "Cellophane" is in short supply because it is being used extensively for top priority purposes. But when the war is over the valuable experience we are gathering in packaging, under the rigorous requirements of war use, will be available to help you plan packages which will fully satisfy the exacting demands of efficient distribution in times of peace.

Cellophane TRADE MARK
C-I-L CELLULOSE FILM

CANADIAN INDUSTRIES C-I-L LIMITED

RPM Keynote for Today



R.P.M.—Repair, Protect, Maintain—that's the slogan of plant owners and maintenance engineers today—that's the sound patriotic way to help conserve essential materials and manpower for the war effort.

Particularly is this true of buildings, for every foot of manufacturing, office or residential space is needed. New construction is restricted; so existing plants must be made to last until "V" day.

Regular, careful inspection of your building and a planned R.P.M. programme will prevent trouble and deterioration before they start. Pay particular attention to the roof, flashings and roof connections. Inspect the membrane carefully and repair or re-surface any weak spots, see that flashings are in good condition and well cemented, check the drains and downspouts, the walls, foundations and all points the weather may attack, then attend to necessary repairs promptly. Where a roof is beyond repair, re-roof with Barrett Specification* felt, pitch and gravel—the roof which today protects so many Canadian war plants and industries.

Barrett manufactures a complete line of maintenance specialties for R.P.M. work and Barrett Roof Inspection Service is still available for industrial buildings. Through this service, a trained Barrett representative will inspect your roof and submit a complete report on its condition with recommendations on how to extend its life. Let Barrett help you plan an R.P.M. programme.

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THE BARRETT COMPANY LIMITED
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REPAIR PROTECT MAINTAIN with Barrett
"Between the World and the Weather Since 1854"
ROOFINGS AND PROTECTIVE PRODUCTS

The Editorial Page . .

A Crisis in Arithmetic

On the ground that the need for inflation control after the war may be even greater than during it, the prediction is freely made that WPTB's activities will continue into the peace. There can be little doubt of the continued need for inflation control, but it will be on a different basis from the wartime control.

The infinitely greater capacity of Canadian industry to supply domestic needs will remove a large measure of the inflationary shortages that contributed to the difficulties following World War I. Gradual conversion to peacetime production — already evident and likely to accelerate between the defeat of Germany and the surrender of Japan —will act as a further buffer against the shortage problem.

These factors will tend to ease the job of postwar inflation control. But another difficulty, one that is already appearing in an acute form, has not been answered by WPTB and cannot be answered under its present constitution.

That is the problem of rising wages, not now recognized as a valid reason for price increases. Squeezed between rising wages and fixed prices, industry has been forced to operate on steadily diminishing margins. In many cases, manufacturers have been able to meet overhead costs only by reason of the large and standardized wartime volume production, a point still insufficiently appreciated by the WPTB.

What may happen if all the factors in the present equation remain rigid—wages, raw material costs, and selling prices—in the face of a declining volume of production, can be deduced from the fate of scores of small retailers across Canada who have had to shut up shop when they found merchandise scarce, prices, rents and taxes fixed.

Whatever the agency selected to combat postwar inflation, this will be one of its first and largest problems. As cancellation of war contracts spreads, overall volume is almost certain to shrink. Either wages and raw material costs will have to shrink with it, or the price to the consumer will have to be increased. Inflation control is running head-on into a crisis in simple arithmetic.

Americans Should Know Better

A Canadian industrialist just back from an important business conference in the United States, reports that he found many of his American associates still laboring under the false impression that Canada was accepting Lend-Lease aid from Washington. This old canard dies hard.

Instead of accepting aid from the United States, Canada, of course, is not only completely financing its own war effort but in addition is contributing financially and materially to many of our Allies. We are doing just the same as the U. S. with Lend-Lease. We have, too, furnished considerable help to the United States itself, freely exchanging urgently needed war goods and supplies.

Canadians realize that this country is only one in a large group of nations all fighting in a common cause and that the important thing is not which party makes the weapons but that they are made. It does, however, hurt our pride, that our nearest neighbor seems to know so little of the contribution we are making to the Victory ahead.

We Can't Have Both

The Vancouver Province echoes an opinion that has gained some ground in this country when it says:

> "It is to be hoped that other countries will follow Russia's lead in refusing to allow international finance to usurp the position of a super-government. It would be reassuring to learn that Canada has made no commitments which will fetter the hands of future governments to deal with rehabilitation problems in their own way and to the satisfaction of their own people.
>
> "By all means, foreign trade and foreign exchange should be placed on a more stable basis by the use of better banking and currency facilities and by freer trade policies. But these should be secondary to the primary obligation of nations to deliver themselves from pre-war financial handicaps and controls in the management of their own affairs."

On the one hand is expressed a pious wish for more foreign trade; on the other a warning against surrendering any control of monetary policy to international authority.

It would be difficult if not impossible to reconcile these two points. No nation can hope to gain foreign trade without recognizing some form of international control but that does not mean, as the Province intimates, giving up the "management" of our own affairs.

World business, in which readers of the Province are especially interested, would be utterly impossible without some form of international currency and banking. Trade is no longer a simple swap of jack knives for beaver skins but a highly involved transaction in which not two, but sometimes a half a dozen nations, and scores of interests are directly involved. To handle such, of course, some form of international finance is imperative and that should be its only function. The rights the individual state surrenders so that international trade may be carried on, no more imperil its internal initiative than the citizen his liberty when he obeys a traffic cop.

What the Province says in effect is: We want to eat cake and have it too.

The Financial Post's Platform for War

1. *All manpower and resources, efficiently used, wherever needed, to win the war.*
2. *A national war cabinet of Canada's best, chosen not on party lines.*
3. *A non-political industrial executive to organize and direct procurement of war supply.*
4. *Pay-as-we-go policy, to the utmost possible limit to avert inflation.*
5. *Elimination of wasteful spending by public bodies or private individuals.*
6. *Planning NOW for postwar, by government and business, to ensure full employment and improving social standards through individual, competitive enterprise.*

Kicks Don't Cure

Most business offices have some confusion some of the time. Some offices have some confusion most of the time. But the brand of confusion which exists in some Government wartime bureaus can only be described as confusion perpetual and super extraordinary.

In our correspondence this week, a citizen asks about getting name lists of employees in government wartime offices. His message makes it clear that he wants what amounts to an Indian list which he would make generally available. His view is that with such a catalogue, the businessman could guard against employing these people.

Such a plan for Indian listing of government wartime workers is like trying to cure a cancer victim by kicking him

The kicks hurt the victim and they don't cure the disease which is bureaucracy.

We need have no fear whatever of being saddled with a muddled and permanent bureaucracy from the really good men. In many government departments Canada is blessed with having outstanding deputy ministers and other top civil servants to carry on the business of government with a devotion and efficiency and skill which would command twice the remuneration in private enterprise.

Many other good men have gone into government service as a wartime contribution at a substantial loss to themselves and to their companies. These men are avidly waiting the day when their sense of duty and the national interest tells them that they can go home; that they can satisfy the clamor of their own enterprises to have them back.

It is the rest of the wartime army of bureaucrats about whom citizens may be concerned—the second, third, down to tenth and twentieth raters who will be so sure that wartime controls must be continued; so loud in their praises of their own wartime services, so frantically hopeful that their jobs will continue.

For these people, Mr. Coldwell and his people hold out full and beautiful hope. For the CCF is the bureaucrat's friend. It aspires to having everything run by government employees; banks, newspapers, factories and everything else. The pork barrel which Mr. Coldwell wants to build with which to reward his devotees is the mightiest ever conceived.

Crucial wartime work has yet to be done on the battlefront and on the domestic front. Both at home and abroad, the major crises have still to be met.

But the day will come after victory when an alert public opinion will have to see to it that employment on a war board does not result in hundreds expecting and getting permanent nests in the government service.

Irritation and Discontent

Reports from a recent party meeting in Ottawa state that members complained long and bitterly for removal of "irritation and discontent" arising out of wartime regulations.

This looks and sounds fine but the possibilities are disturbing. Most people are irritated and discontented by every single piece of wartime regulation and restriction. It is the nature of democratic and vigorous people to object strenuously to such restrictions and interferences. And the fact that we accept and obey them to help win the war doesn't in the least make them any the less irritating.

What is ominous about this caucus complaint is that these much-worried vote gatherers may put pressure on a much-worried Administration to remove "irritations and discontent" for political purposes rather than for war-winning purposes.

We are all for getting rid of the irritation and discontent, but not before the cause of our irritation and discontent has no further importance in saving the life of one Canadian fighter, in building the victory machine of the United Nations. We don't want irritation and discontent removed for the purpose of winning an election in High River or any other riding.

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

See Huge Gain in Passenger Traffic by Air

The following paragraphs, dealing with passenger travel only, are taken from the lecture of L. Welch Pogue, Chairman U. S. Civil Aeronautics Board, presented at McGill University this week. Mr. Pogue's lecture: "The Future of Air Transport," covered the whole range of transport, including mail, express, and freight, as well as passenger.

The growth in passenger travel by airplane after the war will be prompted by the facility and the speed with which it can be undertaken. A comparatively small common carrier the airplane can establish a number of schedules within the hour rather than within the day, a number of departures for overseas points can be had within the day rather than the week . . . This frequency and speed will bring nations and the world together in point of time. The airplane will supply man's desire for an expanding horizon of pleasure and business activity.

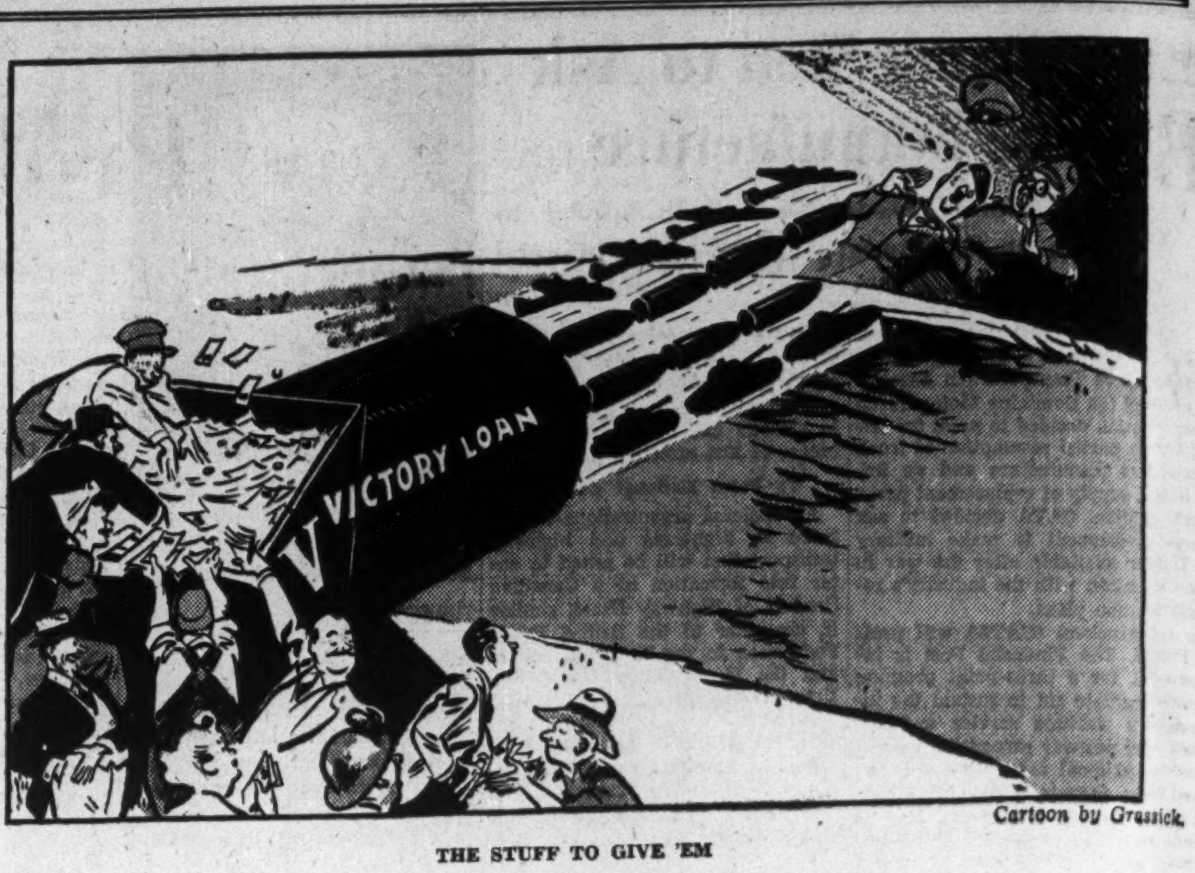
If a business trip can be made across the continent overnight or across the ocean in only slightly greater length of time, markets, distant in miles, are as close in point of the businessman's time as only 800 or a thousand miles by rail. This propinquity will result in more business travel and a stimulus to trade.

Social and pleasure travel may also be accomplished within a nation or the world in the same or a shorter span than it is now by surface transportation in many provinces and states. The cultural centres and the vacation grounds of a nation or the world can be at every man's feet within a matter of hours. This will develop new passenger travel as did the railroad and the automobile.

The fact that probably nearly 50% of foreign travel has been for pleasure, holds great promise for the future use of the international airways to Canada. The airplanes flying to and from your country should be filled with travellers who have sought and found recreation, pleasure and cultural stimuli in a world that is free.

More travel for business, more for pleasure, this is the future of air passenger travel. We will increase and extend our business contacts across our nations and into foreign lands. We will know the farthest reaches of our own continent and will spend two-week vacations in Europe, Africa, South America and the Orient.

I feel that it is a safe prediction that the present per capita overseas passenger traffic will be doubled within the decade following the war and that the airplane will ultimately carry the major portion of these travellers. This volume of traffic and the improvements in airplane performance promise to level present air rates almost immediately to about 7½ cents per passenger mile; it is more likely that they will continue to decrease at a lesser rate to five cents, and proceed more slowly to within a close range of four cents.



Cartoon by Grassick.

THE STUFF TO GIVE 'EM

Post-Scripts . . . .

Super Loan Salesman

A sales manager "fresh out of customers," is the way that Ralph W. Carney, Vice-President of the Coleman Lamp and Stove Company describes himself now. Temporarily he may be out of customers but since his company loaned him to the Canadian and American war efforts a year and a half ago, he has not been out of a job.

MR. CARNEY

His speaking tour last year carried him 150,000 miles which record, he claims, has been equalled by no other man and only by one woman in the U. S.

This week, Carney opens a speaking tour of Ontario and Quebec on behalf of the Victory Loan. It is a repeat performance. Last May he addressed the Empire Club in Toronto on the same business. Someone suggested that a few hundred copies be printed for distribution. To date something close to 20,000 copies have actually been distributed.

Carney is a product of the great midwestern United States. He was raised in Wichita, Kansas, went to school there and in 1912 took an agency and demonstrated lamps in Arizona. Returning to Wichita to complete his schooling, he soon got a job in the packing plant of the company which he has served ever since. When the international Panama Pacific Expedition was being held in San Francisco, San Diego shrewdly decided to have a fair also to get people coming and going to the big show. Carney was told to go down there and demonstrate lamps because the job wasn't considered important enough for anyone else. He jumped at the chance and actually sold more lamps in San Diego than Coleman demonstrators did in San Francisco, though the latter fair drew ten times as many people.

Short, sturdily built, in his middle forties, Ralph Carney is described by his friends as a "ball of energy." Typical of his business career is the fact that he was never appointed sales manager of the Coleman Company. There wasn't such a position and until Carney came along he built up the sales force and grew with it.

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Praise From an Expert

One of the most enthusiastic acclaimers of "Meet the Navy" when its recent showing in Ottawa, was talented Hon. Victor Podoski, Minister Plenipotentiary to Canada from Poland.

Podoski is an amateur producer, playwright and actor of outstanding ability himself. When he went to the Navy show the first night on the invitation of Hon. Angus MacDonald, he was so enthusiastic he bought up a dozen tickets for the next performance so that all his staff could see the show as well. He says he has rarely seen an amateur performance with such zip and finish; claims that a number of the skits could hold their own in London, New York or Paris (pre-war) without the slightest difficulty.

One act in particular ("Impressions" by Robert Goodier) interested him especially because he has put on a somewhat similar act of his own with great success.

Victor Podoski lives in General McNaughton's house in Ottawa. He came to Canada as Consul-general just after the outbreak of war. Though he arrived with only a few suitcases of belongings, his house is graced with a splendid collection of Polish woodcuts and tapestries which were part of a group on exhibit in Canada when war broke out.

In March, 1942, he was named Minister Plenipotentiary; is now the third ranking minister in the Diplomatic Corps with only Dr. Liu Shih Shun and Baron Silvercruys, of China and Belgium respectively, having a longer tenure of office.

Mr. Podoski was born in the Ukraine; went to school in Warsaw and studied engineering in Glasgow, Scotland, and Economics and Political Science in London. He was in the Polish cavalry in the last war and later assistant Military Attache in London till 1925. Joining the diplomatic service was merely carrying on the traditions of his family who as far back as the 16th and 18th centuries held ambassadorial posts in Vienna and Turkey.

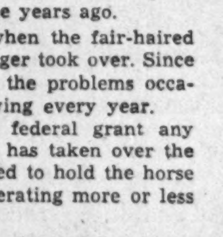
Tall, white-haired and of excellent physique his favorite recreations are walking and skiing.

• • •

One Woman Show

Beatrice Benson once wanted to teach young women domestic science. Instead she is now helping teach hardened Manitoba farmers how to grow fine livestock.

Miss Benson is the only woman manager of a provincial fair in Canada. And it is quite by accident that she is handling the business end of the Brandon fair, which continues to put on its three shows a year.



MISS BENSON

It was when she was a child that she thought she would like to be a domestic science teacher. She gave up that idea to take a course in stenography and accountancy following her senior matriculation. That led to a job as stenographer in a Brandon garage; and after that as stenographer for the Brandon Fair Board.

Miss Benson, who is "really good at figures," worked up from stenography to accounting for the fair board and then began handling their advertising. She mastered so many angles of the business that she easily took over the permanent managership when that position opened up three years ago.

It was wartime when the fair-haired Cheshire-born manager took over. Since then she has found the problems occasioned by war growing every year.

"We don't get a federal grant any more and the army has taken over the arena, where we used to hold the horse show, so we are operating more or less on a shoe string."

In spite of that the fair's three shows, winter, spring and summer, have been carried off successfully.

Miss Benson attributes this to the fact that they have kept up their prize lists, shortened the length of the shows, and have attracted new exhibitors by making "personal contact" with them.

She is a great believer in personal contacts. Whenever she is out in the country addressing farm meetings she makes out a list of prospective exhibitors and calls on them—gives them a "pep talk" about the fairs.

Miss Benson feels the "little" farmer benefits greatly from the provincial fairs. "They have an opportunity to compare notes with other exhibitors and find out how they are handling their prize stock. Farmers are very communicative and they exchange a lot of useful information as they talk in the show-barns. If they don't win ribbons at first, they come back the next time determined to do better."

At this time, when Manitoba farmers are going in for bacon-type hogs and fat cattle on a larger scale, they are looking for instruction more than ever before.

Miss Benson doesn't think she could judge livestock. Her main interest is in the business end. The last time she came in close contact with the exhibits was last spring just before the show when there was a terrific March blizzard. They couldn't get the exhibits out to the fair grounds so they housed some of the poultry in her office. "Every time I tried to talk on the phone they started cackling."

Next year they are moving the spring show ahead to April, away from the blizzard menace.

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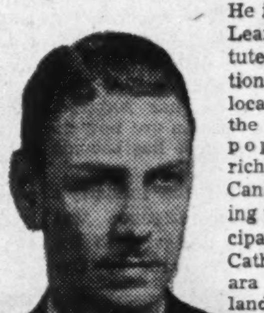
Heads Niagara Institute

A young lawyer of wide experience has been appointed manager of the Niagara Industrial Relations Institute. He is Sharman K. Learie. The Institute is an association of employers located in one of the most thickly populated and richest areas of Canada, embracing the five municipalities of St. Catharines, Niagara Falls, Welland, Port Colborne and Fort Erie. With headquarters at St. Catharines, the Institute was organized to promote a more co-operative understanding between labor and management, to do industrial research and to assist in co-ordinating postwar industrial development policies.



MR. LEARIE

Learie has had varied experience in management-labor matters in the fields of mining and garment and aircraft manufacture.

Born in St. Boniface, Man. he came to Toronto with his family at an early age and was educated in Toronto schools, attending the University of Toronto where he graduated in Commerce and Finance and Osgoode Hall in 1936.

Sharman Learie practiced law in Kirkland Lake between 1938 and 1941, later moving to Ottawa where he was employed as counsel for the Canadian Association of Garment Manufacturers. His next post was Montreal where he was supervisor of Advisory Service of the Aircraft Industry Relations Committee. For the past year he has been assistant to the president of the Canadian Pratt and Whitney Aircraft Co. Learie has always been interested in community affairs and while in Kirkland Lake was president of the Kinsmen's Club.

"Some of you have heard fencerail strategists say that Germany will crumble this fall. I have heard some talk like that—but not around the War Dept."—*U. S. Undersecretary of War, R. P. Patterson.*

Other People's Views . . . .

The Canadian Editorial of the Week

If We Had No Ceiling

Vancouver Sun

Canada is now engaged in a supreme effort to hold its price ceiling. One of its chief difficulties is that many people think the effort hardly worth while. They observe that, despite the ceiling, many prices have gone up. They assume that things could not be much worse if there were no ceiling at all—and this despite the fact that many prices, apart from food, have remained almost stationary despite the enormous upward pressure.

The only safe way to gauge the success of the present ceiling is to consider what prices would be today if there were no ceiling. We can be sure that they would have risen far more than in the last war. If grocery prices doubled then we can be sure they would have tripled now, or risen even higher.

Without the freezing of wages and prices (one being essential to the other) we would now be in the chaos of a great inflation. All savings would have lost a considerable part of their value. All people like pensioners and old folks living on fixed incomes would have been ruined. But worse than that, the war program of the nation would have been demoralized by the class warfare, the struggle to keep wages abreast of rising prices and the general destruction of morale which inevitably follows inflation.

As Others See Us . .

Power Rate Comparisons

Wellington Jeffers in the Globe & Mail

I agree entirely with The Financial Post when it suggests that before electric power cost tables (comparing Montreal and Toronto rates) can mean anything to consumers, statisticians or accountants should revise them after making the following computations:

1. Reduce the Montreal rates by the per unit amount of taxes paid.
2. Find out where and in what form Governments will get the new revenue to make up for the old revenue lost.
3. Determine by the expert and intricate studies necessary how M.L.H.&P. rates stack up against others on the grounds of present service, planned service and the company's relative contribution to a situation favorable for community development.

Here we have outstanding successful examples of operation under public and private ownership. It would be very much to the general public advantage if an impartial analysis of this kind were made. It would not be final but it would help very much in the clarification of views.

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A Sensible Move

Simcoe Reformer

Cutting down Canada's defense army is a sensible, realistic move," says The Financial Post, referring to the announcement made by Colonel Ralston, Minister of Defense, according to which the 7th and 8th Divisions of the Canadian Army would be disbanded and the 6th Division partially disbanded.

The disbanded divisions represent Canada's Home Defense Army, recruited for home defense only. In the early stages of the war, when no one knew where the enemy would strike next, such an army was justified, for it was not a time to take chances. But the expulsion of the Japs from the Aleutians has changed the picture; and with the increasing demands for reinforcements for the overseas divisions, and the crying need for recruits for the RCAF, and the manpower shortage in farming, mining and industry in Canada, it has come to be felt that the Defense Army had become an anachronism.

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What The Papers Are Saying . . .

Chinese Immigration

Ottawa Journal

President Roosevelt urges Congress to permit Chinese to enter the United States and to grant to them, and to Chinese already in the country, full American citizenship.

Good. Yet before we Canadians start throwing bouquets at President Roosevelt for his enlightened attitude we had better look at our own position with respect to the Chinese. It isn't too creditable.

It may be that British Columbia, which has nearly 60% of all the Chinese in Canada, looks at this matter of Chinese immigration and citizenship in a light different from that in which the rest of us look at it. Yet with the tale of the past seven years before us, with China's heroism lighting the story of the world, it is hard to believe that the people of Canada as a whole have not come to think of the Chinese being worthy of place and citizenship in this or any other land.

• • •

Yet to be Convinced

Montreal Gazette

It was interesting and significant, even though pure coincidence, that Prime Minister Churchill should have detoured the British House of Commons so firmly around the scheme to nationalize the coal mines only a day after Harold L. Ickes, U. S. coal administrator, had completed the return of seized mines to their private owners and operators.

Both the U. S. seizure and the strongly pressed nationalizing proposal in Britain sprang chiefly from disturbed labor conditions in the mines and the consequent effect on production, though Mr. Churchill insisted that British coal stocks are higher than a year ago and no factory is without coal. Again, in both cases, the value of government intervention as a magic panacea for labor troubles has been left open to considerable doubt.

The main conclusion to be drawn, from the matching policies of leaving the mines in private hands, is that the governments of these two great democracies are yet to be convinced that national ownership and direction would assure more efficient and productive operation for war purposes than private management.

Sayings of the Week

"The Fifth Victory Loan campaign is as important as any we will fight with battles."—*Lt.-Gen A. G. L. McNaughton.*

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"What a blessed relief to be free from government regulations." — *A Kansas farmer's letter home after being drafted into the army.*

• • •

"It is utterly unwarranted to think that our boys will be home for Christmas. We haven't yet made a real assault on the fortress of Europe."—*Frank Knox, U. S. Secretary of Navy.*

• • •

"Throughout my life there has been 10 times more criticism of this country (Great Britain), in the United States than of the United States here. Too many Americans still are consumed with a desire to lecture us."—*Lord Vansittart.*

• • •

Stop Me If . . .

A priest offered a dollar to the boy who could tell him who was the greatest man in history.

"Christopher Columbus," answered the first.

"George Washington," answered an American lad.

"Saint Patrick," shouted a Jewish boy.

"The dollar is yours, but why did you say Saint Patrick," asked the priest.

"Right down in my heart I knew it was Moses," said the Jewish boy. "But business is business."

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Our Food Supply

Bread May Ease Food Problem

Bakers Can Play Greater Part in Feeding Nation

By **DAVID L. KIRK**

The call is going out for more cereals this winter.

Canadians will not be hungry; but they will miss some of the variety of foods to which they have been accustomed.

In breads, and cereals of all kinds, there is room for some increase in consumption.

This means, for the great majority of Canadians, a new call on their bakers to augment diets which may be due for unexpected changes.

From a nutritional standpoint, experts claim, we could include a substantially larger proportion of bread and other cereal products in our diets without risking health through inadequate diet. The present-day food habits of most people result in a diet containing about 27% grain foods and it is estimated that this amount could be increased to from 37 to 40%.

Importance Enhanced

In the light of these facts, the baking industry takes on added importance as a contributor to the health and well-being of Canada's population. Since the start of the war it has, like most others, found itself operating under increasingly difficult conditions. There has been no lack of bread flour, but the supply of cake flour and many other ingredients of bakery products, such as sugar, milk, fruit, jam and chocolate have become increasingly short. Just last month allowances of fruit and jam were further curtailed.

Labor Shortage Serious

In addition, the problem of labor supply has become more and more serious. Both in the processing and delivery field, the resources of the industry have been heavily taxed to supply the increased demands which the prosperity and appetites of wartime work have brought.

For some time now, the baking industry has been subject to certain restrictions with respect to the slicing and packaging of bread, and to the number of types of bread and bakery products that could be manufactured. These restrictions were aimed at the saving of labor, and it is this same object that has prompted the passing of recent orders considerably curtailing the manufacture of cakes, cookies, buns and other specialty products. The effective date for this order, A-863, was put forward to Oct. 11 to give the industry time to report on the degree of success which it thought that these measures would meet with.

Survey Conducted

A survey was conducted by the baking industry which revealed that some 96% of its members considered that the proposed regulations would have little or no effect in the saving of labor. Negotiations with the government have resulted in the cancellation of the majority of these restrictions. The main effect of the cancellations is to allow the baking of buns, rolls and other products of small individual sizes.

But beyond the immediate matter of this WPTB order, it is thought by many in the baking industry that the industry has a much greater part to play in the feeding of the nation than is at present allowed it. This, they feel, is becoming progressively more true.

The coming winter may see less food on Canadian tables; and in a smaller variety. Increased use of cereals is one way in which this shortage may be partially solved. The baking industry, main supplier of foods made from grain, will be expected to satisfy to a greater degree than before, the appetites of hungry Canadians. Labor and all raw materials, except perhaps flour, are in short supply and the facilities of the industry are strained to the limit to satisfy present demand. That they have done a good job is pretty evident. That they should be allowed to do more is the opinion of many in the industry.

Demand Still Unfilled

While the problem of obtaining sufficient labor would be a major obstacle to the further expansion of the baking business, the real obstacle is the lack of certain essential ingredients such as milk, and above all sugar. It is estimated by one company that it could sell 25% more than it does at present before reaching the point of saturation in its market. More than one baker feels, also, that the nutritive value of the bread he sells could be increased, with real benefit to consumers, through the use of more milk, sugar and other ingredients.

That an increased demand will arise in the coming months is considered to be a certainty. It is considered desirable, also, that as far as possible sweet goods, rolls and buns of various kinds, should be continued in production, since these foods help to provide the variety of diet which shortages of fruits, jams, and other foods are reducing.

Profit Margin Slim

Estimates by one company put its profit margin on sales of bread and bakery products at about two fifths of a cent, before taxes, on each 10-cent sale, or about 4c. on the dollar. There is reason to expect that current operations will reveal a further reduction in this margin, in the opinion of some bakers.

Taxes, it is calculated, take away about half of this, leaving a margin of 2% or less on sales. Such a small operating margin, combined with the fact that production must be gauged each day for that day's requirements, imposes the necessity of a high degree of efficiency, both from the production and from the management point of view.

Like all industry, bakers have had to make rapid adjustment to a loss of skilled workers. Their problem has perhaps been made more difficult by the necessity of maintaining year-round production without any letup for readjustment and training of a labor force.

During the past year, from being a negligible factor in the employment rolls of most bakeries, women now constitute up to 50% of the employees in some plants. One company, for example, employs 45% women and most of them on a part-time basis. In this particular case the employers were enthusiastic about the way they had tackled the work. Other reports were not painted in such glowing terms, the conviction remaining that women employees had not succeeded in reaching the level of efficiency attained by male workers, particularly in the more skilled jobs.

It is in the provision of delivery services that bakeries have always been most keenly competitive, and in this field, therefore, they have been able to effect considerable improvement in the volume of deliveries made by each driver. For the past two years it is thought that deliveries per wagon have increased up to 60%.

In many localities drivers now call on about 25% more customers and these customers are buying from 20% to 33% more goods. In spite of large increases in sales, one company has been enabled to reduce its delivery forces by 27%.

The industry renders a considerable service by providing large quantities of bread to the country's military camps. Precise cost estimates are difficult, but it is believed that in few or no cases are bakers selling to these camps at more than cost. Between 1-1/3 and 1-2/3 million loaves of bread are each month delivered to Ontario camps alone.

Postwar Planning Body Initiated at Winnipeg

City and Suburban Municipalities Propose Metropolitan Area Scheme With $14 Millions of Projects Listed Already

From Our Own Correspondent

WINNIPEG. — Proposal for a Metropolitan Planning Commission to blueprint postwar projects for Winnipeg and her suburbs has been put forward by Mayor Garnet Coulter of Winnipeg.

If the proposal is approved at a meeting of Winnipeg and suburban representatives late this month, the commission would embark on ambitious plans for co-ordinated development of highways, parks, recreational areas, transportation systems, airports and housing developments.

This move follows by two years the establishment of Winnipeg's own postwar planning committee by the city council—a committee that has already listed projects estimated to cost well in excess of $14 millions.

Behind Mayor Coulter's overtures to the suburbs to become partners in planning is the fact that many desirable projects involve territory outside the city limits. Winnipeg's principal airport at Stevenson's Field, for instance, overlaps into St. James and is administered by a joint city-suburb commission. Any road system that would cut down congestion of traffic between city and residential districts also would concern the outlying municipalities where a good many Winnipeg citizens reside.

Another motive behind the move is the apprehension in the minds of Winnipeg businessmen that if the city does not take the initiative in over-all metropolitan planning, the provincial government may do so. The provincial government has embarked on a study of planning under direction of Prof. W. J. Waines, economic adviser to the administration.

Like To Do Own Job

Winnipeg would rather have metropolitan planning in its own hands than have it planned under supervision of a provincial legislature whose membership is overwhelmingly rural.

Meanwhile the city council planning committee, working in the Victorian city hall which is slated for the limbo in its blueprints for the postwar period, has drafted a list of 10 city projects in order of preference.

First on the list is slum clearance and housing; but the price tag on this item is left blank until the scope of the necessary construction can be worked out in detail. However, Alderman C. E. Simonite, real estate operator, has estimated the cost tentatively at $4 millions.

Next comes improvements and expansion for Winnipeg General Hospital, improvements which would make the institution a stream-lined centre. Price tag on this project is set at $600,000.

A system of storm sewers, to ensure against the basement floodings that have harassed residents of low-lying ground during every heavy rain in the last two years, is third choice. The estimate, made last year by a firm of Chicago engineers, is $5 millions. The school board has recommended replacement of old schools with new buildings at an estimated $1.2 millions.

A variety of projects, ranging from pavement repairs costing $928,000 to landscaping the reservoir at $10,000; improvements to the river banks ($1¼ millions), new bridges and underpasses, a park at the exhibition grounds and a new city hall ($1.5 millions) make up the bulk of the list.

The last item is a proposal to spend $2.2 millions for the extension of the Slave Falls plant of the city hydro.

Chairman of the city planning committee is Alderman Jacob Penner, a former Communist member and now Labor Progressive.

The job of financing the projects endorsed by the committee worries the Board of Trade as well as Alderman Simonite who has suggested that the committee is "building its house from the roof down."

If the Dominion and province took over the cost of education, he suggests the city could finance the implementation of its own plans. In such an event, according to his estimate, the city would be relieved of $4 millions expenditure each year.

Victory Loan Reduces Unlisted Stock Volume

A mixed trend was displayed by the unlisted stocks during the past week, state Plaxton, McDonnell & Co. Trading volume was lighter due to the Victory Loan.

Andian National sold at 27 for a gain of ½ point. Brantford Roofing common, an inactive issue, gained ½ point at 4½ bid. B. C. Pulp & Paper pref. gained 3 points at 70-73. Brown Co. common eased fractionally at $1.70-$2.15; the pref. lost 1½ points at 32½-35.

Canadian General Investments gained ⅛ point at 10¼-10¾. Canadian Industries "B" eased 2 points at 160-163. Canadian Westinghouse eased ½ point at 46½-47½. Federal Grain $6.50 pref. lost 1 point at 80-83. Hayes Steel Products dropped ¾ point at 14¾-15¾. Loblaw Inc. was fractionally stronger at 12⅞-13½. Minnesota & Ontario Paper common eased ⅜ point at 8⅜-8⅞. Western Grain 6½% pref. gained 1 point at 30-34.

The Week in Business

	Sept.	Aug.	July	June	Year Ago
Financial Post Production Index	258.9	255.5	254.4	252.7	222.6
National income, D.B.S. (c)	....	§744	§749	§752	634
Dom. war expend. (million $) ..	247.2	436.3	264.2	256.3	130.9
Dom. total revenue (do.)	215.9	208.7	283.0	198.8	162.4
Dom. total expend. (do.)	389.8	470.3	498.9	322.0	319.0
Dept. store sales index no.	....	147.1	144.7	130.9	154.5
Retail sales index no.	....	162.0	155.4	155.5	162.4
Wholesale sales index no.	....	170.8	170.5	174.3	157.4
Country store (% change pr. yr.)	....	+7.7	+17.6	+14.9	+10.0
Divd. payment index♦	124.0	124.2	124.2	123.5	123.5
▪Bank deposits (1935-39=100) ...	170.7	169.9	176.0	....	170.1
Cash and cheque pay. index	....	161.3	174.7	171.3	138.6
Bank debits (1935-39=100)	....	157.1	158.2	147.5	136.0
Money supply (c)	....	4,735	4,851	4,883	3,772
NEWSPRINT % OF CAPACITY—					
▪Production ratio	70.7	70.1	70.9	69.6	72.4
▪Shipment ratio	68.7	70.4	76.8	72.7	82.1
RAILWAY FREIGHT LOADINGS—					
▪Tons (D.B.S. index)	148.4	182.8	187.7	201.4	127.1
▪Cars (D.B.S. index)	122.9	138.7	148.0	147.0	117.4
COST OF LIVING—					
D.B.S. index	119.4	119.2	118.8	118.5	117.4
EMPLOYMENT INDEX No. D.B.S.—					
All industries	....	185.9	183.7	181.2	177.8
Manufacturing	....	227.7	226.5	224.2	212.1
Payrolls (June 1/41=100) (b) ...	....	149.5	145.7	143.6	131.6
Payrolls (1937=100) (a)	....	215	226	225	202
RAILWAYS—	1943......	...1942	1943 Jan. 1 to date	1942	Change %
▪Carloadings (week Oct. 9)	73,472	73,952	2,666,537	2,634,129	+1.2
▪C.P.R. gross (week Oct. 14)	$ 5,850,000	5,218,000	228,020,000	197,271,000	+15.6
C.N.R. gross rev. .. (Aug.)	$ 39,687,000	34,419,000	290,003,000	236,967,000	+22.3
C.N.R. net rev. ... (Aug.)	$ 9,062,000	8,178,000	62,693,000	53,929,000	+16.2
C.P.R. gross rev. .. (Aug.)	$ 26,855,759	22,053,767	189,729,872	165,012,867	+14.9
C.P.R. net rev. .... (Aug.)	$ 3,843,887	3,220,030	28,977,096	28,436,564	+1.9
IRON AND STEEL—(August)—					
Pig iron production (tons)	164,906	162,578	1,184,064	1,308,731	—9.5
Steel production ... (tons)	246,820	248,868	1,996,481	2,064,666	—3.3
CONSTRUCTION—					
Contracts awarded . (Sept.)	$ 16,570,600	29,675,100	160,729,600	228,486,900	—29.7
Building permits .. (Aug.)	$ 7,080,395	8,342,168	52,195,351	70,321,194	—25.7
Cement prod., bbls. (July)	935,465	1,245,588	3,935,826	4,708,246	—16.4
AGRICULTURE—					
Flour prod., bbls. .. (Aug.)	1,888,030	1,820,199	15,992,768	13,135,626	+21.7
Cattle sales▴ ...... (Sept.)	116,256	86,645	816,033	794,710	+2.7
Hog sales▴ .... (Sept.)	524,862	460,407	4,676,756	4,400,396	+6.2
SEA FISHERIES—‡					
Catch cwts. ..... (June)	1,069,752	992,079	3,685,576	4,417,285	—16.6
Landed value ...... (June)	5,711,877	3,716,970	14,816,993	10,452,840	+41.8
NEWSPRINT—					
▪Production, tons ... (Sept.)	251,827	257,618	2,217,432	2,410,209	—8.0
▪Exports, tons ..... (Sept.)	227,775	275,791	2,102,322	2,263,179	—7.1
MINING AND OILS—					
Coal prod., tons .... (Aug.)	1,426,032	1,468,448	11,685,386	12,434,353	—6.0
▪Gold rec. (fine oz.) (Sept.)	286,771	382,880	2,788,396	3,547,871	—21.4
Petroleum prod., brl. (July)	831,412	869,034	5,869,282	6,109,072	—3.9
ELECTRIC POWER OUTPUT—(August)					
Total monthly 1,000 kw.h.'s	3,428,513	2,989,690	26,456,985	24,567,745	+7.7
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. ... (July)	2,777,758	2,773,334	23,028,795	21,864,466	+5.3
▪Cotton consump., lb. (Sept.)	15,009,743	15,824,873	138,765,250	148,371,065	—6.4
Cigarette cons. No.† (Aug.)	919,367	852,493	7,281,162	6,331,719	+14.9
FINANCE—					
Bank debits† .. ... (Aug.)	$ 4,020,267	3,479,745	33,893,600	28,775,585	+17.7
▪Bond sales† ...... (Sept.)	$ 750,202	255,223	4,394,117	2,844,274	+54.5
Life insurance sales (Aug.)	$ 45,612,000	39,963,000	377,715,000	323,611,000	+16.7

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. †000 omitted.
▴Total at yards and plants. ▪New items for week.
♦Supplied by Nesbitt, Thomson & Co. (c) 000,000's omitted.
(a) Compiled by Canadian Bank of Commerce. (b) All industries. §Estimated.

Builders of Transport for Canada

Railway passenger and freight cars—Steel cars, air dump and industrial cars of all descriptions—Automobile and bus bodies, automobile body woodwork, automobile chassis frames and parts—Steel pressings and forgings, drop forgings, steel and light alloy aircraft forgings.

NATIONAL STEEL CAR
Corporation Limited
HEAD OFFICE HAMILTON — SALES OFFICE MONTREAL
BUILDERS OF TRANSPORT FOR CANADA

SPEED
your
sales victory
in
Rural Canada!

Whether you have immediate goods to offer or want to ensure solid consumer acceptance for your product after the war . . . NOW is the time to advertise to the fast-growing rich, rural market!

The Family Herald and Weekly Star reaches more than 300,000 farm homes right across Canada — ARE YOU USING IT?

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

Opening North To Rival East

Liken CNR-CPR Settlement Plan to Stalin's Development of Siberia

From Our Own Correspondent

EDMONTON.—In the belief that Canada's vast northwest country holds the key to the agricultural and industrial development of the West to such a degree it might become a rival to eastern Canada, the CNR, CPR, Alberta and British Columbia governments are co-operating on a postwar north settlement plan.

Announcement was made in Edmonton recently by E. S. Gurton, western superintendent of the CNR department of colonization. Last week he and T. A. F. Herzer, colonization official of the CPR, conferred with government officials.

The railways and the two western provinces already have been swamped by thousands of enquiries from American military and civilian personnel, Canadians, and other United Nations' men on the placing of settlers in the Canadian northwest after the war.

To Populate the North

The combined program, designed to populate the North and expand it industrially and economically, was decided upon, and at present a "propaganda" campaign is being launched to acquaint wartime residents of the North how to settle there permanently.

Booklets containing full information, maps and data about Alberta, B. C., the Mackenzie river basin, and the country around the Alaska Highway are ready for distribution and will be circulated throughout Canada and the United States. Cost of the pamphlets is being shared by Alberta and B. C. The two railways will share cost of distribution.

Distribution will be effected in the North with the co-operation of U. S. military authorities, who will see that soldiers and airmen who want them receive the pamphlets. Some 8,000 also are being sent to American civilian workers on their way "out" from the North.

Land Speculators Out of Luck

"Anyone intending to settle there after the war can get information from authorized sources and won't fall prey to ruthless land speculators—and won't settle blindly as in the 1908-12 boom days," Mr. Gurton stated, declaring further that the vast and extensive settlement and industrialization of the north country will be "the greatest defensive action against possible aggression in the future." He compared the settlement of the North to the development of Siberia by Stalin after the last war.

Some wartime visitors to "this neck of the woods" have definite plans for tourist camps, hunting lodges, dude ranches, fishing and trapping sites—and scores of other profitable enterprises. There have been enquiries made and some plans made for property rights in Edmonton for industrial plants, with subsidiaries in the North. Some of them are from eastern Canadian firms planning expansion.

JOHNS-MANVILLE JM PRODUCTS

Pioneers of hundreds of asbestos products, Johns-Manville is constantly developing new and improved materials to control heat and cold . . . protect against fire, weather and wear.

This continuous research is accelerating the war effort today . . . and will contribute to better living and working conditions tomorrow.

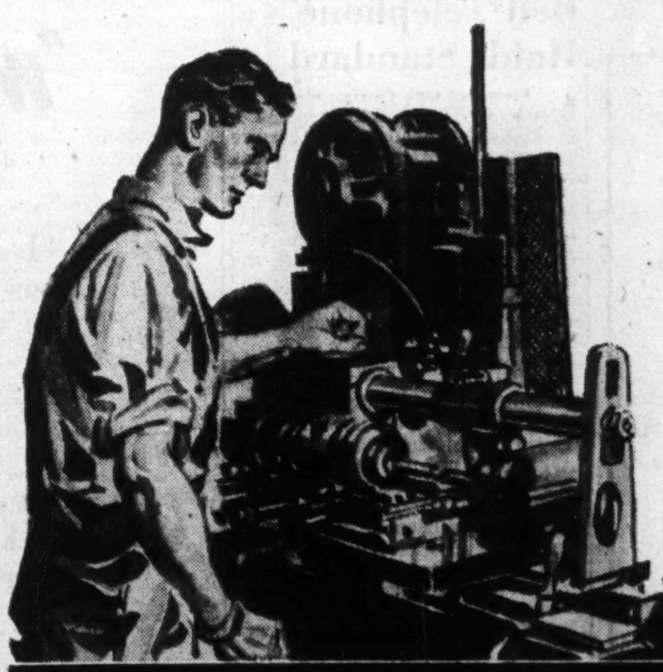
QUEBEC
ASBESTOS
MONTREAL
DANVILLE
SHERBROOKE
Q U E B E C

At Asbestos, Quebec, is the world's largest asbestos mine . . . owned and operated by Canadian Johns-Manville.
BT-2

CANADIAN JOHNS-MANVILLE
CO., LIMITED
Mine and Factory at Asbestos, Que.
MONTREAL TORONTO WINNIPEG VANCOUVER

J-M BUILT-UP ROOFS • J-M CORRUGATED TRANSITE SIDING • J-M INDUSTRIAL FLOORING • J-M INSULATING BOARD PRODUCTS • J-M ASBESTOS WALLBOARDS • J-M ROCK WOOL INSULATION • J-M INDUSTRIAL INSULATIONS • J-M REFRACTORIES • J-M ACOUSTICAL SERVICE AND MATERIALS • J-M PACKINGS AND GASKETS AND OTHER ESSENTIAL MATERIALS FOR FACTORY, MILL, SHOP, OFFICE

Detroit International Bridge reports net profits for September of $14,978 before income taxes, which are not stated. This represents practically no change from Sept., 1942. Profits for the first nine months of 1943, however, are down considerably from the corresponding period last year, standing at $61,247 compared with $82,576. Both operating expenses and revenues have shown substantial declines in September and for the first nine months of the year.


The PICK OF THEM ALL!

The services of Canadian Oil Companies lubrication engineers are available to help solve problems of lubrication in all industrial operations.

High-speed production of war supplies demands top-flight efficiency in machinery at all times — that's why *dependable* lubrication is a basic need in plant operations today. For proven performance and dependability rely on White Rose industrial lubricants — there's a White Rose product for every lubrication need in every type of industrial service.

WHITE ROSE
INDUSTRIAL LUBRICANTS
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HEAD OFFICE: TORONTO — EXECUTIVE OFFICE: MONTREAL — DIVISIONAL OFFICES: MONCTON, MONTREAL, OTTAWA, TORONTO, NORTH BAY, LONDON, WINNIPEG, CALGARY — REFINERY: PETROLIA, ONT.

Consumer Quiz

Cost-of-Living Index Explained

DBS Gives the Answers to Some Puzzling Questions

It depends on the point of view.

The Dominion Bureau of Statistics says Canada's cost of living has climbed only 18.5% since war began.

Mr. and Mrs. Average Consumer, on the other hand, will tell you with considerable emphasis that it just isn't so — and probably point to items like food and rent as glaring examples of how day-to-day costs have risen despite Ottawa's efforts to prevent them.

Look, they say, at the price of round steak, blade roast, stewing beef, lard, corn syrup, oranges, cheese and butter, all of which have been marked by increases of from 42% to 79%. How can this be the case and not increase cost of living far more than the official figure of 18.5%?

Here is an Answer

Now Ottawa has supplied the explanation in form of a 7-page booklet entitled "Cost-of-Living Quiz — Some Common Questions on the Cost-of-Living Index Answered by the Dominion Bureau of Statistics."

In it, the reader gathers, DBS has set out to show that while Mr. and Mrs. Average Consumers' figures are not wrong they are capable of faulty application.

For example, DBS admits there have been increases of from 42% to 79% in prices for round steak, blade roast, stewing beef, lard, corn syrup, oranges, cheese and butter but declares that these foods represent only a part of the cost of living. Taken altogether, DBS says, food only represents something less than 35% of the cost of living index and, while some foods have risen very substantially, others have remained "pretty steady or even have declined."

Not a True Picture

Bread and milk are cited as examples of the latter. According to DBS figures, from Aug., 1939, to Aug., 1943, on a Dominion average of retail prices, bacon rose 46.8%; lard rose 72.2%; and bread, 10.3%; while milk fell 5.5%. When averaged out, these price changes present an increase of 30.9% which, says DBS, doesn't give a true picture at all because the ordinary family spends a great deal more money per week on milk and bread than it does on bacon and lard. What such price changes do mean in the family budget is shown in the following table:

Effect on Index

	Budget Amount	Budget Cost August 1939	Budget Cost August 1943	Change %
		—cents—		
Bacon ...	.7 lbs.	22.0	32.3	+46.8
Lard	.2 lbs.	2.2	3.7	+72.2
Bread ...	12.1 lbs.	70.2	77.4	+10.3
Milk	10.5 qts.	114.5	108.1	—5.5
		208.9	221.5	+6.0

As the table shows, the weekly cost of bacon, lard, bread and milk was 6.0% and, in the words of DBS, "a very different kettle of fish from the straight average of the four percentage changes—30.9%."

The cost-of-living index says that all foods together have risen 34.1% as at Aug. 2, 1943, since the war began. It also says that the total cost of living has only gone up by 18.5%. Again faced with what to most people is a paradox, the DBS Quiz explains it by the fact that some groups of items in the index have gone up very little.

The following table shows the six main groups in the index, the proportion each represents in the total cost-of-living index and the amount each group has risen since war began:

Major Group Changes

Budget Group:	Percentage in Total Index	Wartime Percentage Price Increase to Aug., 1943
Foods	34.6	34.1
Fuel & light	5.7	14.5
Rent	17.8	7.4
Clothing	12.1	20.5
Home furnishings & services	8.9	16.8
Miscel. items	20.9	6.8
	100.0	

Apparently the DBS statement that rents have gone up only 7.4% has occasioned Mr. and Mrs. Average Consumer to raise a skeptical eyebrow — especially when they have had to pay "boom town" rents when they moved to take a war job.

The DBS explanation is at least simple. It points out that the cost of living index is concerned with all rents being paid but that homeseekers think only of rents asked for vacant homes, that the proportion of vacant places is small and that a measurement of rents, in order to form part of a cost of living index, must represent all rents. Due to rent control, DBS says, the great majority of tenant leases have been unchanged since 1941.

How is it possible to have prices of individual items entering the living costs of everyone rise as much as 79% and still be able to claim that the cost of living has risen only 18.5% since the war began? This is a mystery causing the average consumer to harbor grave doubts as to the accuracy of the official cost of living index.

Officials do not question such figures for individual price increases. But they hasten to point out that they can be applied wrongly. They point to many items which have changed little or not at all since the war began—and tell us that such items may be of more importance in the family budget than those which rise farther and faster.

Much of the DBS Cost of Living Quiz concerns itself with explanation of how the cost of living index was constructed, how it is kept up to date.

First of all, it was decided how much weight to give each group in the index on the basis of experience. In 1937 and 1938 DBS made a study of living expenses of nearly 1,500 Canadian families, specially picked as typical of wage-earning families. Each consisted of a husband, wife and one child or more. Average number in the family was 4.6; average income was $1,453.

Keep Index Up to Date

From Oct., 1937, to Sept., 1938, expenditures of the 1,500 families were recorded and it was on the basis of these that DBS knew how much importance to give to the various kinds of food, clothing, recreation and other items making up the family budget.

Obviously, since 1937 and 1938 there have been many changes in the retail commodity market. Today there are goods one can't buy, goods whose purchase is limited by rationing.

The DBS index has taken such changes into account. For example, when silk stockings went off the market they were replaced in the index by rayon stockings. Automobile tires and tubes, steel frying pans, and bananas have been removed since they are no longer available in quantity. Weighting given to tea, sugar and motor operating costs has been reduced on account of rationing. And so on.

But the statements of the 1,500 families of what they spend and what they spend it on are not the only source of information in compiling the cost of living index. Acting as a double-check for accuracy is the monthly "collection" of prices which DBS secures from retailers in a wide assortment of towns and cities throughout Canada. Nor does DBS rely entirely on such reports from retailers. In addition, it has its own representatives in most of the principal regional centres who obtain the prices DBS needs each month by personal visits to stores.

Not the Only Price

What the consumer actually pays in cash for the goods included in the cost of living index is not considered the only price by DBS standards, the Cost of Living Quiz reveals. Recognized as a factor in determining price, deterioration of quality is also taken into account. When DBS receives a report of a reduction in quality, such reduction is treated just as if it were a price increase of the same amount.

There are two types of quality deterioration, however, DBS points out. One is that which shortens the life of an article. The other is that which affects its appearance without shortening its life or spoiling its serviceability.

For example, says DBS, if a man finds that a suit now only stands three quarters of the wear a similar suit used to stand, then the cost of his clothes over a period of years has risen, although the price remains the same. So it is obviously reasonable to include deterioration of that type in the cost of living index.

On the other hand, if the man finds the suit he now buys is less attractive than it used to be, the material rougher and easier to wrinkle, but still lasts as long as it used to he could not claim that such quality deterioration had affected his cost of living.

Taxes Not Included

It will surprise some perhaps to learn that the cost of living index does not include taxes. The reason: since the cost of living bonus is determined by the cost of living index, the bonus would be increased by approximately the amount of the increase in the income tax and thus people getting the bonus would pay little or no income tax. For the same general reason, increases in the cigarette and tobacco taxes since June, 1942, have been excluded from the index by Order-in-Council.

Better Transport Seen Need Canadian Fishing Industry

Biggest postwar need for Nova Scotia fisheries is an assured export market, said H. G. Connor, president of Maritime-National Fish Ltd., in a brief presented recently to a Royal Commission on Provincial Development and Rehabilitation, sitting at Halifax. Mr. Connor spoke of the potential market in Great Britain for frozen fillets, cod, and other seafish. He said there had been practically no pre-war demand there but that wartime demand there still was running millions of pounds ahead of supply.

He suggested a regular refrigerator truck service at government expense to haul small freshwater catches to ports where cold storage plants and processing plants are available, explaining that a major problem had been profitable marketing of small-boat catches from points throughout the province.

Mr. Connor recalled fight of the salt fishermen against use of beam trawlers on the banks several years ago, so that these vessels had been limited to three. Today, he said, the government was subsidizing wooden trawler construction and fishermen are accepting them "almost without protest." Some even saw trawlers as the key to continued prosperity —a prosperity they did not have in pre-war days, he said.

In another submission, on the salt-fishing industry, Fletcher S. Smith of A. M. Smith & Co., maintained stability of eastern Canadian fishing depended largely on the salt fish division. He claimed decline of the industry in Nova Scotia was due to inability to compete with uneconomic or subsidized production of other countries and failure of the Canadian Government to give adequate protection.

Mr. Smith pled for the industry "freedom from harmful political influence" and added three other points for its development:

1. Recognition of true place of salt fish in Nova Scotia fishing and in world market.
2. Recognition of importance to the province's economic and social structure.
3. Recognition of necessity to provide the industry with a chance to compete successfully with foreign governments.

WAR FRONTS

* * * Because of the constantly increasing number of men on the different fronts, it is necessary for us to steadily increase our production and to make sure our men are NEVER in need of supplies of any kind.

Our Government has entered into contracts with Canadian industry to pay for the labor and material to produce munitions of war. It is our privilege to lend the money to help pay for these munitions through the best investment in the world—

VICTORY BONDS

INTERNATIONAL BUSINESS MACHINES COMPANY LIMITED

SUPERINTENDENT

W. G. Doherty, appointed superintendent of transportation, Southern Ontario district, Canadian National Railways, with headquarters at Toronto. Mr. Doherty, who succeeds the late J. B. Reeve, was formerly assistant superintendent at Ottawa.

Quebec Establishes Postwar Study Group

Looking to the postwar period the Quebec Government has set up a Provincial Postwar Economic Advisory Council under chairmanship of Jules Brillant of Rimouski.

The new organization, authorized by the Provincial Legislature during the last session, will conduct an enquiry on agricultural, forestry, mineral and industrial resources of the province. It will suggest measures to be taken for their fullest development.

Canada Ships More To India

War Has Improved Trade Between Two Countries Substantially

The war has led to a marked improvement in Canada's position as a supplier of Indian imports and as one of her export markets, says Paul Sykes, Canadian Trade Commissioner at Bombay in a report received by the Department of Trade & Commerce.

The recent elimination of several Eastern countries from the sphere of United Nations trade has intensified this trend, and according to official figures, Canada stood in fifth place among all sources of India's imports during the year 1942-43. In the case of exports, Canada's position receded from seventh to tenth, this trend being due to the marked decrease in India's exports to the Canadian market combined with large increases in shipments to Australia and Middle Eastern countries.

Canadian goods imported into India, according to the report, continue to comprise for the most part motor vehicles and parts, metals in various forms, tea chest materials, newsprint paper, calcium carbide, acetic acid, and a number of other materials for the services, or for essential Indian industries.

The trade in all types of foodstuffs and other consumer goods which made up a substantial proportion of pre-war trade values, has now disappeared completely except for some shipments of whisky and miscellaneous foodstuffs for the exclusive use of the services. One of the few instances in which new business has been developed is in the supply of bobbins for use in Bombay cotton mills.

Indian trade to the Canadian market continues to comprise tea and gunny cloth as its principal components. Other items recorded during the past year included chrome ore, peanut oil, castor oil, various coco-nut fibre products, shellac and skins.

It is probable, concludes the report, that substantial quantities of service equipment and such goods as motor vehicles, tea-chest materials, metal products and chemicals will continue to be shipped from Canada to India.

A Test of Friendship

Naming your best friend as your executor is no doubt a sincere expression of your esteem for him, but it saddles him with a task which he will find embarrassing to refuse and difficult to perform. The appointment of National Trust Company, with a skilled staff ready to devote its full time to estates in its care, is a wise choice which is certain to have your friend's endorsement and result in the most economical administration of your estate.

Write for our Booklet
"Security for your Family"

NATIONAL TRUST
COMPANY, LIMITED
TORONTO MONTREAL HAMILTON
WINNIPEG EDMONTON

Bell Telephone Holds Standard

From Our Own Correspondent

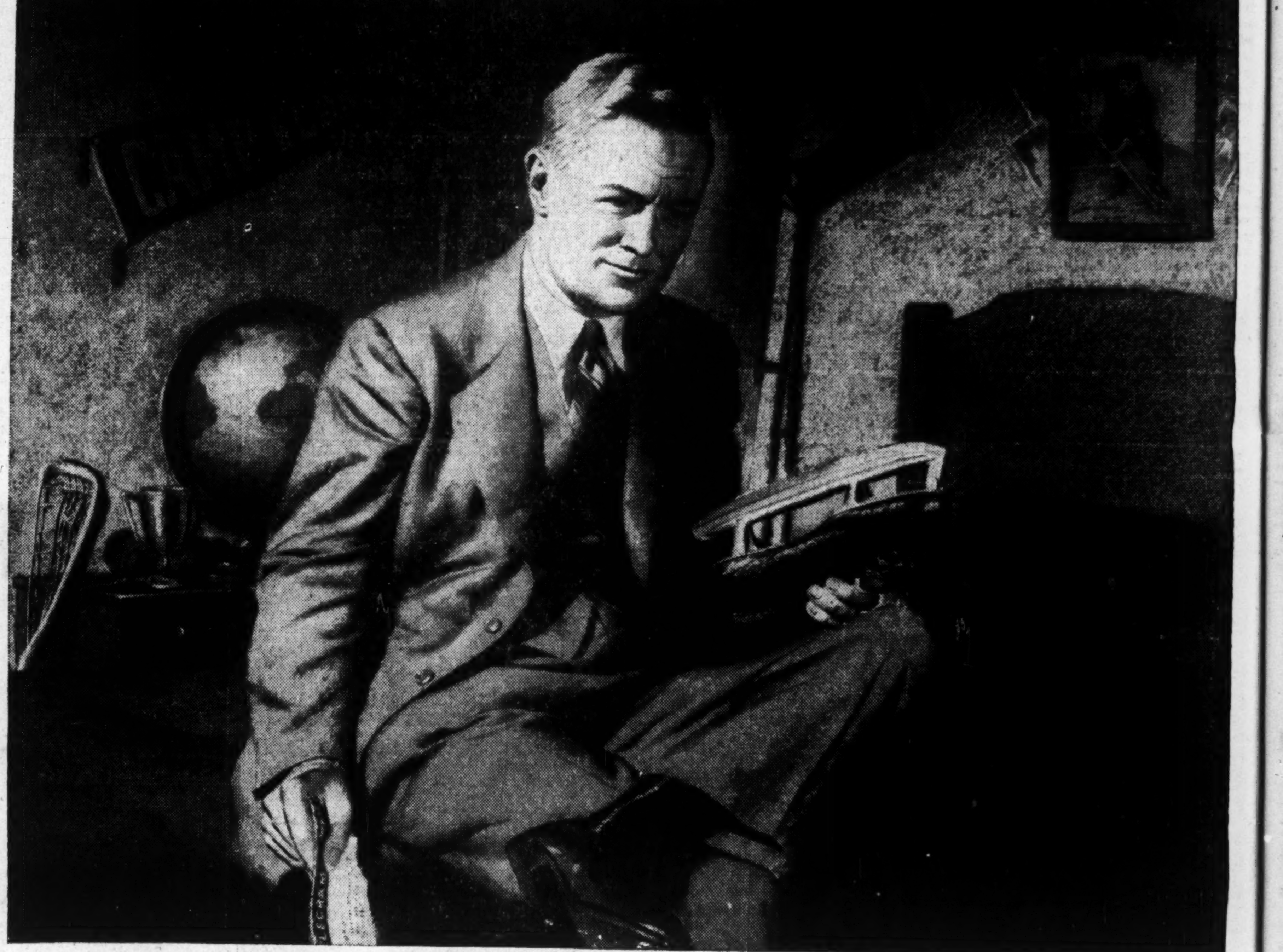
MONTREAL.—Bell Telephone Co. of Canada's standards of service have been maintained despite an exceptionally heavy turnover of personnel due to wartime conditions, says C. F. Sise, president, in a statement sent to shareholders. In evidence of this Mr. Sise states the company has received many commendations from subscribers on the manner in which quality of service has held up.

The circular reads, in part, as follows:

"During the past two years, over 4,600 new employees have been engaged by this company. We have, therefore, had to pay particular attention to training, and shareholders will be glad to know that results have been highly satisfactory. In addition to our normal losses, more than 2,000 skilled employees have joined the fighting forces, necessitating the advancement of many of our younger employees to more important duties.

"While many applications for new telephones have had to be denied owing to shortage of materials and other restrictions the war has imposed upon us, in the main applicants have accepted the situation in good part when the circumstances were fully explained. All essential services have been provided promptly and the standard of service, local and long distance, has been maintained at a high level."

Distillers Corp. - Seagram report that during September the company purchased for retirement and cancellation 3,150 shares, of 5% preferred stock, reducing the number of shares outstanding to 148,223 at the end of the month.



"WHAT A SHOT THE KID HAD!"

"It's quiet in here. Guess I'll sit and think awhile. Lord how he loved those skates. And what a wonder he was on 'em!

REGRET TO INFORM YOU HEAD-
QUARTERS OVERSEAS ADVISES...

"Guess being good with a hockey stick must have come in handy to him, learning how to handle a bayonet properly. He was quick as a flash. What a shot the kid had!

YOUR SON SERIOUSLY WOUNDED
WHILE ON ACTIVE DUTY...

"It's a pity wars can't be fought by us older ones, with most of our living behind us. But it seems only kids can take it . . . kids with fire in their veins and springs for muscles and steel for bones . . . like Johnny.

BE ASSURED HE IS RECEIVING
BEST MEDICAL ATTENTION...

"Oh, Johnny, come home again! Come home running, shouting, tramping in and out of the house with muddy feet and clothes awry. Come home, Johnny, shouting, laughing, heedless, turning the house topsy turvy in your endless quests for lost sweaters and misplaced mittens. But come home to us, Johnny, come home . . .

HOPE TO RELIEVE YOUR ANXIETY
SOON AS POSSIBLE... LETTER FOLLOWS.

"If prayers will do it, you'll be back, Johnny. But we're not stopping with prayers alone, boy. We're working for it, buying with every last cent we can scrape together the Victory Bonds that put weapons in your hands and sound ships under you and good food in you and dressings and drugs to care for your wounds.

"This is our pledge to you, lad: that when you sit again at our table and look into our eyes you'll know we did not fail you, that we gave everything we had, just as we gave you."

THE HOUSE OF SEAGRAM

Export Trade

Canada Needs Salesmen

Inauguration of Trade Export-Import Co. Urged

To maintain and expand existing foreign markets for Canada's surplus products and ensure employment for men demobilized from the fighting forces, Harry C. Barry, marine manager of the Insurance Co. of North America, urges formation of a government corporation to assist exporters and train specially selected men for foreign selling. He maintains no time should be lost in making preparations of this kind.

Mr. Barry was responsible for having such a proposal included in the platform of the Dominion Progressive Conservative party at Winnipeg. This article outlines his plan in some detail.

Because Canada depends on other countries as outlets for about 70% of her production, export markets are a prime essential in postwar rehabilitation.

With this thought in mind, Harry C. Barry, marine manager of the Insurance Co. of North America, has developed a rehabilitation plan designed to develop Canadian export trade.

Two basic objectives of the plan are:

1. To provide continued production for Canadian business by retaining and developing foreign markets;
2. To provide employment at home or abroad for men now in the armed services, after they are demobilized.

Secure New Markets

Noting that Canada is now shipping to the United Kingdom, the West Indies, India, Egypt, South Africa and South America such goods as paper products, beer, nuts and screws, medicines, textiles, barite, etc., Mr. Barry declares these markets should be retained and more secured.

Train Service Men

First element in the plan, Mr. Barry sees, is establishment of a Trade Export-Import Company and School to teach carefully picked postwar demobilized men to sell Canadian products abroad. With proper aid from tariffs and exchange regulations, and an adequate organization behind them, they could sell Canadian products abroad and compete on an equal basis with salesmen from other countries.

Mr. Barry has been impressed with the efficiency of the short intensive courses given men in the armed services during the war which have brought out many latent talents and capabilities in the men. These courses, he declares, have given many a greater knowledge of specific matters than is possessed by many college graduates. The same type of training should be applied to selected candidates to do a good job of selling Canadian products abroad.

The School Course

The school course, Mr. Barry suggests, would include:

Foreign languages—emphasis to be on conversation and grammar to enable the prospective salesman to grasp quickly the language of any country to which he might be sent.

Economics — especially trade economy—and including foreign exchange, foreign credit and marine insurance.

History—especially of the country to which a man may be sent.

Satisfactory knowledge of the products he is to sell.

Knowledge of export and import finance — including tariffs, customs' declarations, manifests, bills of lading, etc.

Salesmanship — as required in other countries.

Teaching would be done mainly by university professors with salesmanship taught by Canadian, British, American or other expert salesmen. Mr. Barry seems to prefer a foreign salesman teacher in this department, because selling in foreign countries involves many fundamental differences to domestic selling. This salesmanship teacher should be chosen by the best personnel manager in Canada, he thinks.

Conference of Paris sales terms, etc., to explain meaning of trade terms would be included in the course of study.

He believes the necessary fundamentals could be taught adequately in a six months' course.

The school would have a library, and suitable publicity and investigation department to influence Canadian manufacturers to organize properly and educate themselves and their staffs in the mechanics of export trade.

Government Bears Cost

Cost of the school would be borne by the Dominion Government which would also temporarily subsidize the salesmen by paying salaries and expenses until they were self sustaining.

Mr. Barry said:

"I know that selling the product my company has to offer may seem comparatively simple but there is one basic principle involved in selling this product that is universal. We sell our products successfully because of thorough training and aggressive application. Because of this we sell our products in the face of cut-rate competition and I believe that a Canadian salesman sent abroad who is properly trained, intelligent, of good character and who is aggressive can compete with the salesmen of other countries."

Because a foreign salesman must be so much on his own and not under the guidance of his superiors, character as well as ability and personality must be considered when picking men for the job. When assigned to foreign countries, these men should be under the guidance of but not under the discipline of the Canadian Trade Commissioners. Salesmen should be under a district sales manager. Such is Mr. Barry's plan.

Essential basic conditions follow:

Power—A study should be made of all available electric power in Canada, and how this can be dealt to Canadian manufacturers at least cost to compete with cheap labor in foreign countries.

Transportation — A study should be made and plans laid for export of merchandise—not passengers—by plane to maintain the well-organized Commonwealth Training Scheme and make use of pilots of the Ferry Bomber Command. Plane transport, he states, could be used to advantage in transporting perishable goods such as bacon to the United Kingdom to compete with shipments from Denmark, etc. Shipping by sea-going vessels, he says, will still be the backbone of foreign trade and would be absolutely necessary for bulk cargoes.

Steamship companies, he thinks, might be interested now in arranging to buy bombers after the war, as the CPR is now doing domestically in purchasing local air lines.

Intelligence—The Commercial Intelligence Bureau should develop before the end of the war information regarding types of goods that can be traded through our foreign salesmen.

Intelligence — The Intelligence Bureau at Ottawa should develop in advance of the end of the war information regarding types of goods that can be traded through our foreign salesmen.

Canadian Manufacturers Association—A foundation should be laid within this association to deal quickly and intelligently with Canadian manufacturers and a liaison formed between the CMA, the Trade Company and the Intelligence Bureau to promote sales and distribute commodities.

Export Advertising—In addition to the one existing medium of export magazine advertising in Canada, our foreign salesmen could be equipped with moving pictures of Canadian products. Bringing prospective purchasers to designated points to be educated in Canadian products, advertising by mail, and arranging displays at foreign fairs, etc., are other practical methods.

Foreign Credit—Use of the existing Foreign Credit Bureau in Canada can be developed further, he believes.

Mr. Barry points out that after the war many countries will be in dire need of goods. Countries having food and gold must and will aid the financial structure of the others to forestall another depression. A study should be made now of their needs. Canada should be prepared to supply horses to Europe to replace those being eaten under war conditions. Office furniture, dock cranes, etc., could be supplied to bombed cities and ports.

During the immediate postwar period goods will flow in an artificial way between countries. This, he fears, might create a complacency that will cause a depression after such countries have been supplied and begin to produce. As an example he states we might be able to supply Denmark with live pigs until that country can supply equal to that in pre-war times. Then we would have to compete with Danish bacon in the British market. This period of reconstruction Mr. Barry sees will give salesmen an opportunity to adjust themselves to foreign conditions so normal trade can be continued afterwards. At this time, too, salesman could be a great aid in directing the movement of products for which the market must drop off at the war's end—a condition which would have a disastrous effect on Canadian farmers.

Immediate Start Urged

If his plan is approved by the Government, he believes the entire ground work should be started immediately. Study of problems in changing from a wartime to a peacetime economy should be begun without delay and the particular products the salesmen would have to sell, determined.

Mr. Barry in his plan states that his idea of a Trade Export-Import Company follows that of the Fairmont Corp. and the Melbourne Merchandising Corp., both of which are crown-owned and organized companies for wartime dealings in certain commodities.

V
This is the Time!
BUY VICTORY BONDS

Company Reports

Fairchild Aircraft

Years Ended June 30

	1943	1942
Earned per share	$0.30	$0.77
Paid	0.25	nil
Working capital	445,275	244,109

Figures in parenthesis below refer to previous year's operations.

Net profits of Fairchild Aircraft showed a considerable reduction to $38,386 ($98,540) In addition to this there are refundable excess profits of $88,849 not immediately available for dividends. Tax provision for the year was less than the previous year even including the refundable EPT and stood at $469,576 ($482,145), and operating profits were reduced by more than 20%. Principal change in non-operating expenses was in depreciation allowance which was reduced to $75,411 ($174,159). The company's interest in Canadian Associated Aircraft yielded dividends of $24,975 (none). The outstanding balance sheet change was a more than 100% increase in inventories to $4.6 millions ($1.9 millions).

H. M. Passmore, president, reported that the production of Bolingbroke bombers showed an increase, and that additional facilities had been acquired for the manufacture of the Curtiss dive-bomber for the U. S. Navy. The company is also undertaking the modification of a number of aircraft of U. S. manufacture. Work on the Bolingbroke will be finished when the present contract is completed.

St. Lawrence Flour

Years Ended Aug. 31

	1943	1942
Earn. per share (com.)	$2.51	$2.40
Paid	1.90	1.80
Working capital	786,299	724,245

Figures in parenthesis below refer to previous year's operations.

Increase in gross income of St. Lawrence Flour Mills to $358,215 ($314,836) is reflected in a slightly increased net profit of $129,512 ($126,045). Major changes in non-operating expense items were an increase in inventory reserves to $32,000 ($7,600) and an increase in tax provision to $119,047 ($101,000). It is noted that in calculating the excess profits taxes allowance has been made for a reserve of $83,800 against future inventory depreciation as allowed by the Excess Profits Tax Act.

Principal balance sheet changes are nearly doubled inventories and a large increase in bank loans to $850,000 ($165,000).

President D. A. Campbell, in his report, says: "In view of the almost continuous operation of the company's mill, by reason of the heavy demands for export, it has been impossible to maintain machinery and equipment in as high a state of efficiency as the directors would like. It is hoped that some provision out of present earnings may be allowed by the government, to permit repairs and maintenance, now deferred, to be carried out after the war."

Lake of the Woods

Years Ended Aug. 31

	1943	1942
Earn. per share (com.)	$1.59	$2.29
Paid	1.20	1.20
Working capital	2,273,856	1,863,687

Figures in parenthesis below refer to previous year's operations.

Although operating profits showed a decline of more than $400,000, net profits of Lake of the Woods Milling declined to $341,134 ($517,059) due to the increase in income tax payments. In addition to the above profit there is $211,169 refundable excess profits taxes not immediately available. In his report, Brig-Gen. F. S. Meighen stated:

"There will probably be no further increase in the item refundable portion of the excess profits tax. . . By arrangement with the government, the milling industry has surrendered as from Aug. 1, 1943, the 20% refundable portion of the 100% excess profits tax, while under price ceiling legislation."

The president also stated that domestic business has been satisfactory, while others have been and will continue very heavy.

Humberstone Shoe

A net profit of $15,169 was earned by Humberstone Shoe for the year ended July 31, 1943, a considerable drop from the previous year's profit of $19,836.

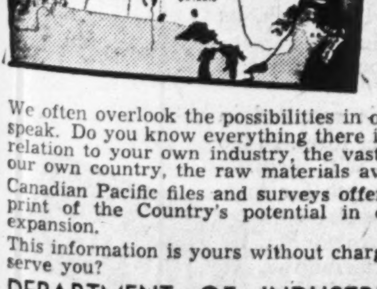
Maintenance of earnings under the price ceiling was only made possible by payment of federal subsidies of an undisclosed amount, and reduction in income taxes of $5,400.

Working capital remained practically constant, but the ratio of current assets to liabilities improved. At the same time the cash position was considerably bettered by reduction in inventory and in bank advances.

Income, Surplus—Years ended July 31

	1943	1942
Oper. profit	$33,366	$51,323
Less: Deprec.	5,568	5,444
Int. & life insur. ...	7,029	15,043
Income & E. P. tax .	5,600	11,000
Net profit	15,169	19,836
Less: Divids.	15,000	15,000
Surplus for year	169	4,836
Add: Prev. surplus ...	195,807	190,468
Tax adj.	1,701	483
Earned surplus fund .	197,677	195,807
Earned per share:	$0.76	$0.99
Paid	0.75	0.75
Working capital	$426,749	$425,195

SILANCO MINING & SMELTING CORP.—By agreement Sept. 21, A. E. Manning agreed to purchase 166,666 shares at 25c. a share payable within three months and received an option on a further 499,993 shares at 50c. and $1 a share. Company incorporated Aug., 1943 (Ont.), authorized capital 1,000,000 shares, $1 par; issued 333,341. There is also outstanding $200,000 5% first mortgage bonds payable 15% out of the proceeds from the sale of ore plus 25% of the proceeds received from the sale of shares after the first 500,000 shares have been allotted and issued, the balance, if any, at the expiration of ten years.



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Canadian Pacific

Wage, Price Decision Likely to be Delayed

Cabinet Has Not Acted Yet on McTague Report and Victory Loan Workers Hope Nothing Done Until Loan Success Assured

By STAFF WRITER

OTTAWA. — While individual ministers help sell the Fifth Victory Loan, the Cabinet as a whole has shelved a final decision on the contentious McTague report and its wage-price anti-inflation policy.

When the Cabinet last met for full-dress debate of this matter, the area of disagreement had been narrowed down and the situation now appears to be as follows:

1. Payment of family allowances under any immediate or anti-inflation program is definitely out. If the idea is revived at all it will be in the future and as part of a larger social security program.
2. The McTague proposal for lifting low-paid workers out of the wage ceiling, is also definitely out.
3. The cost-of-living bonus will be paid when it comes due at the higher rate, Nov. 15. After that it is expected to disappear as an instrument of wage-price stabilization policy.
4. Beyond these three points (on which there seems to be agreement in Cabinet), there is still disagreement as to what are to be the terms and conditions of a new wage ceiling policy.

Area of Disagreement

The chief area of disagreement seems to be something like this:

Finance Minister Ilsley argues the need and the vital importance of some sort of anchor, against which to hold any new approach to wage-price stabilization policy.

On the other hand, most other Cabinet members are reported to be quite content to have wages adjusted under the proposed McTague formula of "gross inequalities" and "gross injustices," and let the wage-price ceiling find its own level under whatever upward wage adjustments are found to be necessary to implement such a policy.

This appears to be the rock on which the Cabinet foundered at its last full-dress wage-price debate some days ago. Subsequently Mr. Howe went to Britain for the air parley; Mr. Crerar to Winnipeg to pay tribute to his friend, John W. Dafoe. Mr. Ilsley and other ministers scattered to many parts of the country making victory loan speeches.

From the point of view of the Fifth Victory Loan, this indecision, deplorable as it appears to many observers, may not be without some merit.

Were the Cabinet to have thrown a new and different wage-price policy into public discussion, together with the texts of the McTague-Cohen reports, just prior to or during the Fifth Loan campaign, it is almost certain that violent and perhaps injurious debate on the merits or defects of the two reports and of the Government's policy would have arisen. Loan salesmen would have been ill-equipped to handle such debates among wage earners; most of them indeed would have been unwilling and far from anxious to take part in what must inevitably prove to be a matter of violent debate on the level of Government policy.

At present the hope and expectation among some loan officials is that nothing will be decided by the Cabinet until the loan is well under way or completed, or at least until its success is assured. True, the lack of a wage-price policy may be expected to raise a number of embarrassing questions within the next few weeks but by and large there is a disposition to believe that the Government's indecision may prove the lesser of two evils.

Labor Court

Another matter that is proving highly contentious in Cabinet discussion, is said to be the question of a labor court. As has been indicated the McTague report deals only in the sketchiest way with the general principles of compulsory collective bargaining, and the new labor court which it is proposed should be established to deal with this and other wage and labor relation matters. Now, the deeper the Cabinet delves into the detail of such a court the more difficult it is apparently proving to reach agreement on the extent to which union organizations and personnel should be controlled in return for the much wider powers and opportunity which would be granted them. The decision to invite provincial discussion and participation in drafting the terms of a new Labor Code for Canada stems apparently from this indecision on the part of Cabinet to formulate policy and also a desire to seek co-operation among provincial authorities.

Certainly there is little hope now of the McTague report and the Government's recommendations thereon reaching the Canadian public for some time—possibly before the end of the month or early November. Much will depend on the frame of mind of the Cabinet when it reunites again in a week or two's time and whether or not, meanwhile, the Government's expert advisers can think up a new wage "formula" which will both fit into the McTague recommendations and the views of those who have held the price ceiling fort for the past two years.

See World Bank As Supplement

Canadians Argue U. S. Proposals Auxiliary to Currency Stabilization

By STAFF WRITER

OTTAWA.—Though Canadian experts are studying the proposal for a United Nations Bank and which was released in Washington last week by U. S. Treasury officials, there is no immediate prospect of this country making its own counter-proposals as was the case in regard to plans for international currency stabilization.

The newly-proposed bank "for Reconstruction and Development" is really supplementary to the currency stabilization program with which Canadian, British and U. S. experts have been wrestling for many months. Currency stabilization is essentially the problem of providing short-term credits; the setting up of a clearing house whereby nations with unbalanced credits or debits on current international account, can clear these through a central agency much the same as individual accounts are now cleared through ordinary commercial channels.

A bank such as the U. S. Treasury officials now propose would supplement the currency stabilization plan and provide medium and longer term credits for member countries of a type which would assist in postwar reconstruction and development.

Broad Outlines Given

The $10 billions United Nations Bank plan which was formally announced recently and which is still very much on the "expert" level, was not intended apparently for release. But premature publication of details of the plan, in a London newspaper caused a considerable furore on both sides of the water with the result that the broad outlines of the plan have now been published.

Canadian monetary experts had been advised very confidentially of the details of the proposed plan and had just started to study it when the newspaper publicity appeared. Ultimately Canadian experts will undoubtedly have "views" as to the merit or otherwise of various provisions of the U. S. proposals but there is no immediate intention of Canada preparing an alternate plan of our own.

Meanwhile experts' discussions between British and U. S. officials in respect of currency stabilization are still continuing at Washington. A number of British experts including Lord Keynes, author of the British plan for currency stabilization, have been in Washington for some time to discuss this and other matters. Although Canadian experts were invited to Washington some months ago for "bilateral" conference with U. S. experts this is the first time that top-flight Britishers have discussed the various proposals at first hand with the Americans.

TOVARICH LARDER GOLD MINES—By agreement Sept. 20, optioned to George Chapman & Co. 400,000 shares at from 7c. to 9c. a share, balance by April, 1944. Company incorporated March, 1938 (Ont.), authorized capital 3,000,000 shares, $1 par; issued 1,280,630.

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Veteran Care Prominent in B.C. Postwar Plans

From Our Own Correspondent

VANCOUVER. — Premier John Hart's British Columbia Government indicated again last week that it has its eye on the postwar era when it announced that a million acres of soil-surveyed land had been set aside in selected areas of the province for settlement, without cost, by war veterans.

A few months ago the Hart Government announced a tentative postwar road construction program involving expenditure of $110 millions, which startled even the people of the west coast who are accustomed to large figures in highway discussions.

Mr. Hart is also working hard for road connections through Prince George to northern B. C., to the Yukon and Alaska, and recently received strong moral support from the northwest states.

The Hart Government probably will also announce shortly details of its proposed forest survey which is expected to recommend a long-term policy for perpetuation of the timber industries, elimination of waste and development of new forest products.

Dominion Votes $25 Millions

The Federal Government is co-operating with B. C. in the veterans' land allotment, according to Premier Hart, and it will contribute some $25 millions toward providing roads, housing, equipment, seed, stock, etc. Most of the lands to be allocated to ex-soldiers lie in the Pacific Great Eastern and Canadian National areas, with some arable areas in the Peace River and on Vancouver Island.

The Government will endeavor to see that only qualified farmers with a real inclination toward the soil are thus assisted. The Government and several thousand veterans had a painful experience after the last war when various ill-conceived settlement plans were tried out. In many instances men of no previous agricultural experience took up settlement in heavily wooded country where the costs of clearing were high. After this war the B. C. Government hopes that among the men settled under the new plan will be 5,000 British Columbians now in the fighting forces who have had farming experience and who have signified their wish to return to the land after demobilization.

The settlement plan will exclude areas where costs of clearing are much in excess of about $30 an acre and where irrigation costs are exorbitant.

Under Canada's Veterans' Land Act of 1942 provision is made for the advance of $3,600 to a veteran for land and buildings and $1,200 for equipment and livestock. He is required to make a down payment of $360 or 10% of the cost of land and buildings. He then will be given an agreement calling for payment of $2,400 at 3½% per annum on a monthly basis, principal and interest being taken care of over a period of 25 years or less.

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Hotel Services

"A" Rating Asked by Hotels

To Co-operate in National Plan to Save Coal

By A. C. MACKENZIE
Manager, Canadian Hotel Review
MacLean Publishing Co., Limited

Scarcity of suitable help to man Canada's hotels has resulted in certain Western units closing down temporarily. Hotelmen, convening at the annual business conferences of the Hotel Association of Canada held recently at the Fort Garry Hotel, Winnipeg, recommended that the Government raise this grade of labor to class "A" category.

While commending the NSS for its assistance in getting hotel diningroom workers, though food service and room accommodation in hotels are considered essential, it was pointed out help to keep these departments functioning is rated in "B" category. Hence the action of the delegates, representing provincial hotel associations of B. C., Alta., Sask., Man., Ont. and Quebec, to secure relief.

Discussion also centred on how most effectively hotels could co-operate with the various administrators at Ottawa in the national plan for saving coal, food and linens, yet assure themselves adequate supplies and at the same time keep an eye on postwar tourist prospects.

Coal Conservation

Hotel guest rooms will not be overheated this winter, if suggestions outlined at the conference are followed through. In order for hotels to co-operate in the drive to save thousands of tons of coal this coming heating season, the following suggestions were made:

(1) Heat to be shut off in hotel guest rooms and public spaces, where at all convenient, between 11.30 p.m. and 6 a.m.;

(2) Temperature to be kept at 65 deg. until dinnertime, then at 68 deg. until 11.30 p.m.;

(3) Where desired, the Coal Administrator's Office make available an efficiency squad to check heating equipment or heating methods in hotels.

Question of Food

Although some discussion has been held with government officials at Ottawa, relative to simplification of menus, it was the consensus that an order regulating menus would be neither feasible nor desirable. It was emphasized the public should be made aware that any reduction in menus was to comply with wishes of the WPTB, not to economize by the hotel.

Some difficulty has been found by certain hotels in connection with the WPTB regulation which requires guests at a hotel for a period of two weeks or more to hand over their ration books, whether or not they have meals at the hotel. In certain instances, hotels have lost guests in trying to comply with these regulations.

The new bakery order supplanting order A-863, allowing 12 kinds of bread and four types of rolls to be made, received the commendation of the delegates. The Hotel Association of Canada had submitted a brief to the WPTB urging the non-enforcement of the former order.

The international committee controlling sale and distribution of linens and cottons has issued instructions to hotels needing bedsheets, pillow-cases, face-towels, bath-towels, tablecloths and serviettes, to place an order for their reasonable minimum requirements with their usual supplier, this order to be sent through the managing director of the Hotel Association of Canada to the Linen Controller. This plan is necessary to provide for equitable distribution of available supplies of these commodities. Hotel requirements for the period, Jan., 1944 to March 31, 1944, must be ordered by Nov. 1 of this year.

Postwar Tourist Trade

In discussing the importance of the postwar tourist trade in Canada, various speakers stressed need of Canada's hotels to have trained personnel to take care of this business. The work of the Quebec Provincial Government in developing hotel training schools during the past two years was commented upon. In that province, the government leases a hotel outright and holds a six-weeks' course for maids, waitresses, cooks, etc. Training is free, and approximately 500 students take the course each year. The students are employees, sons or daughters of hotel operators in the province of Quebec. It was suggested that the Hotel Association of Canada should press the Dominion Government to spend dollar for dollar with any provincial government in providing similar training classes for hotel employees.

A committee appointed by the incoming executive will follow up this plan.

The following officers were elected:

H. A. MACLENNAN: Hon. President, Royal Connaught Hotel, Hamilton, Ont.

E. H. FRAPPIER: President, Hotel de la Salle, Montreal, P.Q.

GEORGE GRANT: 1st Vice-Pres., Hotel Kitchener, Regina, Sask.

ADAM PATERSON: 2nd Vice-Pres., Dufferin Hotel, Vancouver.

J. W. CONNELL: Managing Director, Toronto.

Business Volume High

As hotels are operating at or near capacity, a terrific strain is placed on their limited and inexperienced personnel. Hotelmen say the situation is made increasingly severe as they are unable to increase wage scales, and have to compete for help with industries which pay a much higher level of wages.

High occupancy of rooms is entailing heavy wear on furnishings. This will require extensive replacement immediately after the war. Kitchen equipment, such as dish washers, meat slicers, bread slicers, cooking equipment, dishes and cutlery are subjected to unusual wear, due both to the increased business and also to inexperienced help. Much of it cannot be replaced while other goods are in decidedly short supply.

Although practically all superservice in hotels has been eliminated for the duration, hotel executives expressed confidence of continuing to give adequate service to the travelling public throughout the war.

Alberta Seeks To Lift Debt

Solon Low Urging Ilsley to Give Western Farmer a Break

From Our Own Correspondent

EDMONTON.—Although the Dominion Government's refusal to renew a $400,000 treasury bill for Alberta has irked government officials here, the federal regime's "blocking" of the province's attempt to relieve municipalities and farmers of a staggering debt, has set legislators in the province back on their heels.

Alberta's municipalities and farmers owe the province $4.5 millions, have owed that sum since 1917. The province, wishing to write-off that debt, has asked the Dominion Government to authorize the move, but so far the federal authorities have refused to do so.

Hon. Solon E. Low, provincial treasurer, now in Ottawa, has got this problem to wrestle with alongside innumerable other financial deals he is trying to settle.

The $4.5 millions debt dates from 1917-22 when the provincial treasury paid to the farmers seed grain advances and feed and assistance advances. The Dominion Government reimbursed the province 50% of the money paid to the farmers.

Ottawa Got Half

Because the Federal Government did so, half of whatever has been collected, has been turned over to Ottawa. Seven and a half millions were collected, but $4.5 millions are still owing and, acocrding to the province, almost uncollectible.

The province would like to write off that debt. Given a clean slate, Alberta feels the farmers could make a new start.

The Dominion has been approached on the matter, but won't authorize the deal. It argues, because advances and loans were handled by the Seed Grain and Relief Adjustment Board, the debt must be adjusted by the Board.

While it waits for the decision Mr. Low may be able to get from Mr. Ilsley, the province is writing off another debt of $821,853 still outstanding from the depression period, 1931-35.

Advance on Fodder

The amount represents what remains of advances of $2.8 millions made on fodder. The Dominion also reimbursed the provincial treasury for part of these advances but has agreed to writing off this debt. Security against the advances was charged against the farmer's crop in the year of the advance and the next succeeding year. The $821,853 also is uncollectible, the province claims.

Of the debt outstanding some of the advances were loans from the banks guaranteed by the province and Dominion. These loans have been paid by the province and the debt is of the farmer to the municipality or province.

UNIGO MINES—By agreement Sept. 18, optioned to Trans-Canadian Capital Developments, 1,000,000 shares at from 5c. to 15c. a share, balance by Sept., 1944. Company incorporated Aug., 1943 (Ont.), authorized capital 3,000,000 shares, $1 par; issued 1,000,006.

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Threat of B. C. Loggers Menaces Aircraft Output

Queen Charlotte Loggers Now Getting $39.79 Per Week, 65% More Than Ontario Men — Conflict Over Bargaining Agency

From Our Own Correspondent

VANCOUVER. — British Columbia's forest industry faces threat of a widespread strike of loggers as result of the deadlock between operators and employees in the Queen Charlotte Islands spruce camps where timber is being produced for the United Nations' aircraft program.

Disagreement between the two factions goes back a good many months and stems from the fact that the management of the various logging camps, while ready to grant all the concessions asked for by the loggers, refuse to sign papers with present union leaders.

There is also more than a hint of trouble in some of the Vancouver Island logging camps, where disagreement continues despite arbitration and conciliation proceedings.

Loggers actually are being paid higher wages than ever before in British Columbia. After the first World War loggers' wages in the coastal districts were stabilized in 1924 at a base daily wage of $3.20 for common labor and $4.40 to $7.50 for rigging jobs. Fallers and buckers, the men who actually cut the timber, received an average of $5 to $7.50 a day.

These rates continued in force until depression overtook the industry in 1930.

Daily earnings of fallers and buckers in the lower coast logging camps at present range from $9 to $13. In the Queen Charlottes, where most of the conflict is now centred, fallers and buckers are making (including war bonus) almost $19 a day!

The maximum charge for board and lodgings in the camps is about $1.50, considerably less than it used to be.

The rates shown here indicate that the west coast loggers are earning princely wages compared with their fellow loggers in other parts of Canada.

Per capita earnings of the B. C. loggers, according to DBS figures, were $39.79 a week at Aug. 1 last, compared with $25.81 in Ontario and $19.52 in Quebec. In other words, the west coast logger earns about 65% more than the logger in Ontario and almost 100% more than the Quebec logger.

Even dishwashers in the Queen Charlotte camps receive $7.50 per 8-hour day.

Some operators declare that high wages are really the cause of the controversy. They say that the men are getting so much money they don't care whether they work or not so long as their earnings provide them with what they need without the necessity of having to pay high income taxes.

A prolonged strike in the logging camps would, of course, be a serious predicament for British Columbia, where forest production is still the No. 1 industry despite the recent advance of steel shipbuilding.

Powell Profits Moving Lower

A decline in the monthly value of output and in the quarterly net profit to $25,026, or 2 cents a share, are reported by Powell Rouyn Gold Mines for the three months ended Sept. 30, 1943.

For the quarter ended Sept. 30, 1943, the company produced bullion valued at $297,059 from the treatment of 62,156 tons of ore, an average recovery of $4.78 per ton from 676 tons daily. Production by months was: July, $108,337; August, $92,930; September, $95,792.

L. M. Keachie, president, states that the company, in common with many others in the industry, suffered from difficult labor conditions. The quality of work has deteriorated, the supply of men has decreased and absenteeism has reached new proportions—over 3,300 days having been lost in the quarter through men being absent from work. The result has been an inevitable shrinkage in production and a substantial interference with the company's underground development program. Until these disturbed conditions are remedied, normal operating is impossible.

Estimated Earnings Statement
Periods Ended Sept. 30, 1943

	3 mos.	6 mos.
Operating profit	$81,858	$201,433
Less: Deprec. & w/o's ..	45,015	89,715
Dom. & Prov. taxes ..	11,817	35,289
Net profit	25,026	76,429
Earnings per share	$0.02	$0.061

Low Submits Saw-off Plan

Will Cancel $20 Millions Dominion Debt For Like Cut on Treasury Bill

From Our Own Correspondent

EDMONTON.—A "saw-off" plan to bring about a settlement or readjustment of Alberta's $28 millions treasury bill indebtedness is being submitted to Ottawa by Hon. Solon E. Low, Alberta treasurer, now in the federal capital to see officials about Alberta's "financial troubles."

Alberta claims the Dominion owes the province about $20 millions on the 1930 natural resources transfer and the school lands deal. The province will be willing to forget that debt if Ottawa will cancel out the same amount from the treasury bill debt.

Mr. Low left Edmonton confident some arrangement can be reached. He wouldn't say just what the province is prepared to do if the Dominion insists on getting cash.

The Federal Government apparently isn't asking for $28 millions in cash. It will be satisfied to get $400,000 on a treasury bill due Sept. 1, and probably $1.6 millions on a bill which fell due Oct. 1.

Dysart Commission

The Federal Government's alleged debt to Alberta dates back to 1930 when, following a transfer of the natural resources from the Dominion to the province, an investigation commission, headed by Mr. Justice Dysart of Manitoba, tried to find out what additional sums were due the Prairie Province for alienation or disposal of natural resources by the Dominion prior to the transfer.

Alberta claimed it was entitled to compensation for natural resources from 1905 when the province was founded until the transfer in 1930. The commission recommended Alberta should be paid $5 millions with interest at 5%. Inclusive of interst, the amount now would be approximately $7.5 millions, according to provincial figures.

Besides that, the province claims the Dominion owes about $12 millions in connection with school lands. The sum includes interest. When the province's claim was investigated by the Dysart Commission, Alberta would have been more zealous and thrifty in collecting principal and interest owing on agreement for sale, and in securing rental income from some of the unsold and revested lands.

The Dominion, on the other hand, has contended that it has transferred more than $20 millions to the province from sales of school lands between 1905 and 1930. Also, it is said, that on Oct. 1, 1930, it turned over to the province many agreements for sale, under which there was outstanding principal amounting to more than $8 millions.

Canada Bud Breweries Ltd. has changed its corporate name to O'Keefe's Ale Brewery Ltd., following acquisition of Canada Bud by Canadian Breweries Ltd.

Mining Options

NEW AUGARITA PORCUPINE MINES—By agreement Sept. 7, optioned to Percy W. Bishop 300,000 shares—100,000 shares each at 30c., 40c. and 50c. a share, payable by June 30, 1944. Company incorporated May, 1936 (Ont.), authorized capital 3,000,000 shares, $1 par; issued 2,465,891.

• • • •

ONTARIO NICKEL MINES—By agreement Sept. 21, Avle Corp. agreed to purchase 200,000 shares for $15,000, payable by delivering to the company a discharge of a like amount owing by the company to George H. Johnson, and received an option on a further 2,299,995 shares at from 10c. to 25c. a share. Company incorporated Aug., 1943 (Ont.), authorized capital 4,000,000 shares, $1 par; issued 1,500,005.

New Books

Aeropolitics

The Air Future by Burnet Hershey. Published by Collins. Price $3.50.

Burnet Hershey's study lives up to its sub-title "A Primer of Aeropolitics." Written in a very readable style, the volume treats in detail of the development of aviation, both military and commercial, in the principal nations of the world, and outlines the major changes in national and world organization that have attended that development and the problems that are arising out of it.

No panacea peddler, Mr. Hershey does not carry the reader to final conclusions or answers, if, indeed, such can be drafted at the present time. But the argument he propounds and the geographical facts on which it is based almost inevitably lead the reader to question the entire present structure of world organization. In the last 60 years, the range of travel in a day has increased from 60 miles to something like 9,600. With the entire world open to the traveller in the space of less than three days, nationalistic control of local air, the acute present-day problem which is dealt with extensively by Mr. Hershey, appears incongruous in relation to the physical possibilities which have been opened up by the air navigators.

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Postwar Settlement

Should Germany Be Destroyed?

United Nations' Statesmen Face Greatest Problem of the Age

"What to do with Germany after Victory?" — Two groups give their views in current booklets: "The Problem of Germany" and "The Treatment of Postwar Germany" published by the Royal Institute of International Affairs and the Canadian Institute of International Affairs respectively. To those who would impose "a Carthaginian peace" the words of Churchill are aptly counterposed. To those who would destroy Germany economically, the implications of German impoverishment on the rest of the world are illustrated graphically.

THE PROBLEM OF GERMANY: An Interim Report by a Chatham House Group under the auspices of the Royal Institute of International Affairs. Published by Oxford University Press. 75c.

THE TREATMENT OF POSTWAR GERMANY. Edited by R. Flenley, under the auspices of the Canadian Institute of Public Affairs. Published by Ryerson Press. 50c.

What would you do about postwar Germany?

Most people have plenty of ideas about wiping out the Nazi "canker in Europe," levying taxes or arbitrarily shifting boundaries to weaken, neutralize or eliminate the German nation.

Unlike such an approach to the problem, here are a few suggestions reached by the Chatham House Study Group, working under the auspices of the Royal Institute of International Affairs and embodied in a booklet entitled, "The Problem of Germany," published by the Oxford University Press:

Control of raw materials vital to Germany's heavy industry.

Limitation of and conversion of that war "potential" industry to production of consumers' goods.

Prohibition of foreign countries from supplying Germany with raw materials essential to purposes of domination.

Establishment of a joint control of European utility services.

Counteract Germany's age-old claim to monopoly in southeastern Europe by providing countries of that area with other outlets for their products in Russia, Italy and the West, by investing capital in their greater industrialization, and easing Germany's trade relations with overseas countries.

Utilize the upsurge of curiosity on the part of German masses released from the Hitlerian yoke to read, see and hear forbidden books, plays and newscasts, by preparing in advance translations of representative new books banned from Germany, up-to-date textbooks free of the Nazi Weltenschauung, short objective histories of recent events.

Large-scale interchanges of teachers.

Requirement of a year's study on the part of German university students at a foreign institution of learning preliminary to receiving a German degree.

In this brief statement of the more interesting recommendations, the authors of the booklet painstakingly show how each and every one is fraught with danger and threats to the final problem: achievement of lasting security for Europe and the world.

The Atlantic Charter, drafted by Great Britain and the United States, contains one main objective (disarmament of aggressors) which depends entirely on force, and various social objectives which are to be sought through co-operation.

If force, therefore, observe the authors, is again required to restrain Germany, it will be for Britain to help in supplying it, and to pay the price in material and moral effort which the use of force will exact. If, on the other hand, the nations rely on trust and co-operation to implement the terms of the Atlantic Charter, Britain, with the others, must accept the risks of failure.

Recalling that similar great aims to those voiced in the Atlantic Charter featured other peace treaties, the authors pose the main question as to whether their own or other peoples will endorse them to the point of action. Much of the difficulty in realizing such aims, it is pointed out, is due to the fact that the aims themselves "can get in each other's way": there is danger of collision between purposes.

The immediate implications of a mixed policy of using force for some objects and co-operation for others are:

A policy of pure force would entail the simple, total purpose of the United Nations keeping Germany in complete subjection, in adopting toward her a policy such as she adopted toward the Poles: an almost total denial of rights as a state and as individuals; progressive devitalization and reduction of the population; detachment of all contested territories; enforced dismemberment; complete destruction of the industrial and economic basis of power; destruction of its intellectual basis through compulsory abandonment of higher education and scientific research; transfer of populations; maintenance of servile labor and social conditions; prohibition of emigration and travel.

This would involve maintenance of a large permanent army of occupation, loss of trade with Germany and prevention of trade relations of Germany with other nations; constant inquisition into German public and private life; sacrifice of other international interests to the supreme purpose of suppressing Germany. In brief, to accomplish it, Britain or the United Nations would themselves have to express the conviction that they were the Herrenvolk.

Our minds would have to become Nazi.

Equally thorough-going co-operation would be a political impossibility after the German reign of terror. Notably it would prevent Britain, either alone or in concert, from imposing any special disability on Germany, especially on German armaments.

Self-Determination

One of the cardinal principles of the Atlantic Charter, however, calls for self-determination of national entities according to the peoples concerned. Germany will be felt by many, say the authors, to have deprived herself of the benefit of this principle by her own disregard of it after her temporary victories and to have provided precedents in the way mass transfers of populations which may help solve some of the difficulties in disposing of contested areas. Perhaps the deciding factor may not be the claims of this or that state, nor even the wishes of the inhabitants of the area but the extent to which the proposed distribution would assist international arrangements for military, naval or air co-operation, or European power or transport developments or new industrial groupings.

This, it is clear, would call for a much firmer structure of international authority than has existed heretofore.

Of the opposite policy of "co-operation" the only reasonable one would be that which takes into account all legitimate interests. In this connection plebiscites and some degree of sorting of the mixed populations might be in order.

Article Three

If "Nazi tyranny is to be destroyed" should outside nations—even the United Nations, influence internal policy and institutions of Germany to prevent growth of new Nazism? Actually it would be contrary to article three of the charter to force a parliamentary system after the British model or a pattern after the model of the Soviet. For security's sake, it is pointed out, the Germans may need "in the conditions of defeat not only freedom to choose, but guidance as to how to employ that freedom usefully."

Approaching various concrete solutions, the Chatham House Study Group suggests the German government "should from time to time submit itself, under conditions which ensure freedom of speech and vote, to the judgment of the people." While the German people may wish to control the actions of their government, they will be less willing to do so if it must be done at the bidding of others. That freedom of election might be used to usurp rights and develop aggression, is pointed out. Freedom of vote, therefore, must be accompanied with freedom of access to facts, and means of influencing opinion must not laxly be relegated to the war party.

The Freedoms

Simultaneously citizens should enjoy freedom of speech and criticism in general; fredom of worship, of assembly and elimination of fear of arbitrary arrest.

To spike Germany's age-old excuse that she is being discriminated against, it is suggested that rather than force constitutionalism upon Germany specifically, some such system should be agreed upon for adoption by all European states.

British tradition, it is shown, would not be inclined in the economic field to ruin German productive capacity, both industrial and scientific, causing thereby the further depression of the standards of living of other European countries, and increasing of unemployment within her own realm. Moreover, Britain to accomplish this would have to keep up a vast army and might conflict with other nations wishing to trade with Germany.

Question of Loot

"German living standards will suffer from necessity of the nations being obliged to think first of the relief and reconstruction of the countries which Germany has victimized," state the authors. To this end "enforced restitution of loot and payment in service and kind in the immediate postwar period rather than indefinite long-term financial obligations might be more practicable." German labor might be used for reconstruction.

In reference to the long-term policy of raw material control already mentioned, it is indicated Germany has had much experience in manipulating monopolies, and as she is still the greatest economic unit in Europe, the United Nations will have to ensure that she doesn't subordinate the economy of others to her. To this end, Britain might have to introduce "substantial changes" in the policy of imperial preference, America may have to lower protective tariffs and Russia go in for more extensive external trading.

Main task, therefore, is co-operation with the economically weaker states, as well as with Germany, and a sustained endeavor to improve their position. "We must meet the German will to economic mastery with some purpose different in kind but equally vigorous." Otherwise co-operation may end by a resurgence of the German hegemony.

Since trade depressions affect heavy industry particularly, advisability of internationalizing heavy industry and converting it to the manufacture of consumers' goods is discussed as a possible guarantee of general security.

Guarantees

Further guarantees suggested include:

Control of the machine-tool industry and rationing of key raw materials would not involve large-scale reduction of Germany's general productive capacity, though it would cripple her war potential.

Reduction of the capacity of German industry for production of peace needs and of the prosperity dependent on that capacity.

Constant inspection of factories and laboratories, scrapping of plant when the purpose of work is suspected.

In "internationalizing" heavy industry, "chief power lever of the continent should be in the hands of those whose purpose is welfare rather than domination . . ."

In restricting German industry to peace production, it might be possible to extend prohibition of manufacture or flying of aircraft to the civilian field as well.

Pointing to the previous attempt to disarm Germany, we should note that length of time of occupation of German territory should lie within the discretion of the Allies and not be the subject of a contract with Germany; second, guarantees of unilateral disarmament should not be reduced piecemeal, but only when the time may come to remove all discrimination against Germany.

"Unequal Interests"

One of the serious dangers to the implementers of the Atlantic Charter is that when the time to enforce disarmament comes Germany may succeed in rearming through delay caused by the "unequal interests" of the Allies.

"Prevention of rearmament is the only measure of coercion on which Britain should insist unconditionally, it is stated.

Since Nazism has perverted, in a manner dangerous to peaceful life of other countries, the mental and moral outlook of those under its sway, especially youth, and implanted the doctrine of force, the authors believe that need to educate the German calls for:

(1) Change of the individual German's outlook on international affairs: not only must we correct his Herrenvolk ideas, learned in school and barracks, but substitute new beliefs. He must be taught to believe that "to make war is wrong even if it does pay, than merely to believe that war does not pay."

(2) He must learn that "political leaders who are unscrupulous in their international dealings inevitably act unscrupulously toward their own people as well."

What To Do

How is this change to be effected?

Some think it is impossible to change the outlook of any people, especially the German. Others believe in the power of education.

Actually achievement of a new German outlook will likely be a slow growth, "one easily promoted or retarded by the acts or omission of foreigners." It must be a spontaneous German development, achieved less by precept than by observation and experience in the postwar period when Germans will see whether warmakers appear to "get away with it," if foreigners appear to prefer Germany's former ruling cliques, if there is food, jobs, etc.

Since the trend of Nazi education has been unconditional supremacy of Volk rather than the individual, of bodily fitness over acquisition of knowledge, with objective truth relegated to a secondary place, it will be important for the democracies to expedite all genuine attempts of co-operative-minded elements in Germany to establish free institutions.

To this end the mode of instruction and propaganda producing public enlightenment must be drastically changed. Here tremendous problems arise:

Shortage of teachers in Germany must be corrected, those opposing the democratic way to be eliminated. Learning in universities must be restored to its high position. Restrictions on number of students admitted to universities relaxed. Better facilities provided for those qualified on their merits to enter. Reversal of anti-intellectualist trend imparted by the Nazis. Decision whether present Nazi elite institutions could be converted into compulsory or optional youth movements. Goebbels' control of radio, press and cinema to be eradicated, providing for some foreign control, however.

Role of U. N.

The authors foresee the possibility of the Germans inviting British and other foreign scientists, teachers and psychologists to pool with them their ideas as to the best methods of recovery. In this conection, it is queried, can an apparently "radical movement in Germany toward co-operation be reciprocated by the United Nations?"

Can we co-operate in the matter of teacher exchange with Germany?

Moreover, it will be necessary to promote in the hearts of those leaders whose countries have been brutalized by Germany some degree of tolerance and willingness to promote intellectual association.

* * *

Another booklet, issued under the auspices of the Canadian Istitute of International Affairs entitled, "The Treatment of Postwar Germany," and published by the Ryerson Press, treats the same subject, though less exhaustively than the former.

Edited by R. Flenley, Professor of History at the University of Toronto, the book comprises three sections:

The Economic Problem of Postwar Germany by "Verax."

The Political Settlement with Germany by R. A. MacKay, head of Department of History, Dalhousie University.

The Re-Education of Germany by C. Lewis, Professor of German, Trinity College, University of Toronto.

"A Carthaginian Peace"

Answering those persons who would recommend a "Carthaginian Peace," echoing the words of Cato that "Carthage must be destroyed," "Verax" points out:

"There is no reason to believe that British or American peoples would tolerate the deliberate massacre in cold blood of women and children as well as men, even if European peoples could be found to carry it out. Logically, also, Germans could be starved by destruction and continued suppression of the German manufacturing industry. But Germans could not be expected to starve quietly and we should have to contemplate a long period of rigorous policing of Germany until, say, half the population died out. Even if civilians could contemplate comfortably at a distance the reduction of the German people by starvation after the war, Mr. Churchill's account, in The World Crisis: The Aftermath, of the conduct of British troops in occupation of the Rhineland during 1919, while the blockade still obtained, is sufficient answer to this proposal:

"'Lord Plumer, who commanded the British Army of Occupation in Germany, sent a telegram to the War Office, forwarded to the Supreme Council, urging that food should be supplied to the suffering population in order to prevent the spread of disorder as well as on humanitarian grounds. He emphasized the bad effect produced upon the British Army by the spectacle of suffering which surrounded them. From him and from other channels we learned that the British soldiers would certainly share their rations with the women and children among whom they were living, and that the physical efficiency of the troops was already being affected.'"

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In Your Opinion—

Are We Taking the War Seriously?

The Question: What should be done to make Canadians realize the gravity of the war situation?

Chas. R. Allen

Managing editor, Observer, Hartland, N.B.

To make our Canadian people realize the gravity of the present war situation, we must:

1. Stop all talk of impending elections, federal and provincial, and make it plain that the war effort leaves no time for political bickerings.

2. Shelve the Marsh Report and all talk of a hallelujah postwar world in which nobody works or pays for his sins. Tell the Canadian people straight that the war is still so far from won that it is idle to talk of a future Eden, and that even when we have won a knockout victory everyone will have to work harder than ever.

* * *

C. L. Berry

Manager, Radio Station CFGP, Grande Prairie, Alta.

I suggest more facts of the situation be given Canadians in press and other propaganda agencies. We should cease publishing statements of public men of any nation to the effect that in their opinion war may be over in a few months. Talk of disbanding certain Canadian divisions gives the impression that victory is just around the corner, causes wishful thinking and undermines determination to realize the gravity of the war situation.

We should impress Canadians more forcibly through all available agencies of the colossal undertaking ahead before the enemy is conquered. There should be less emphasis and publicity on postwar reconstruction and more on pre-victory effort. We should cease shilly-shallying with the manpower problem and plan at least five years more for war. A Ministry of Offense should be substituted for the Ministry of Defense.

* * *

Georges Bourassa

Manager, Radio Station CKCH, Hull, Que.

Since El Alamein bad news from the fighting fronts has been so scarce, we have been told so often victory is already within our grasp and war in Europe would be ended next year, that it would be astonishing if Canadians were anything but complacent about the situation.

Since too much good news and too little bad news has brought about this condition, let's reverse the process and show in no uncertain way that the enemy is clever, strong, well organized and in a position to conduct a lengthy, hard and bloody war. Let's learn facts that will create real anxiety in Canada. Canadian morale is far too good and in sore need of deflation.

* * *

W. A. Curran

Editor, Times, Trail, B.C.

To me the question is a poser.

The gravity of the war situation today appears to me to be that our people may become war-weary before a victory-at-arms or the war-wearines of our enemies is such that they can rise in open revolt to overcome the domination of their despotic leadership.

Our every effort should be to maintain the morale of our people and get them into a definitely and generally offensive frame of mind just as that of our armed forces has been transposed from the defensive to the offensive during the past year. I believe we should emphasize through the press, radio and screen and by every other available vehicle that a stalemated peace would be the equivalent to defeat and the whole campaign should be centred around a nation-wide slogan such as "on to Berlin in 1944."

* * *

Lorne Eedy

Editor, Journal-Argus, St. Marys, Ont.

The Fifth Victory Loan not only represents the huge sum we must raise to finance our victorious campaign but it will measure the extent of our earnestness, thereby giving assurance to our fighting boys and to our allies. So, if Canadians can now be prevailed upon to face up to their individual responsibilities and lend until it hurts, we will gain an added seriousness that will speed victory.

The newspapers play up the valiant victories but say little about the frightful cost in blood and valued lives. A more accurate picture would help Canadians realize the gravity of the war.

* * *

J. D. Ferguson

Editor, Optimist, North Battleford, Sask.

Recent victories have tended to lull the public into a sense of security and have promoted some indifference and wishful thinking.

Known facts of the present strength of the enemy should be given widespread publicity to show that the enemy's strength is not yet vitally affected. Our Prime Minister and cabinet ministers should be heard from in straight talks free from political taint and preferably in person.

Boards of Trade and similar organizations throughout the country could organize gatherings to hear the facts from responsible ministers or prominent Canadian citizens.

* * *

Hector Fontaine

Canadian Advertising Agency Ltd., Montreal.

1. Stronger government and press support of wartime measures and wartime duty on the home front with heavier fines and greater publicity for violators.

2. More grim and unbiased news stories and photographs from the war front to show the actual horrors which fighting Canadians face in this war.

3. Less squabbling over the minor issues which are so often and so violently aired in public.

4. An end to the constant bickering on racial questions.

5. Less victory talk.

6. A firmer, more direct stand with the Canadian public so that it will realize the importance of our home and fighting fronts and the responsibility of every individual.

* * *

George W. James

Editor, Canadian Statesman, Bowmanville, Ont.

Two main things have strummed a lullaby for Canadian civilians and zombies. First the velvet-glove-please-do-this general attitude of Mackenzie King and his followers. There's been no "iron," too much pussyfooting. Second, the general tone in the headlines of daily papers. To read most of them you'd think the war was over. What we need is a dose of what Britain has gone through.

Canadians would be glad to have a leader get real tough. That cannot happen till after the next federal election, and we'd better realize the gravity of the postwar situation too.

* * *

Russell T. Kelley

Russell T. Kelley Ltd., Hamilton.

There are three groups to contact.

The business group I would reach with a series of addresses, to service clubs, Chambers of Commerce, Boards of Trade and Canadian Clubs.

The farmer I would reach through a series of addresses at all agricultural meetings, such as breeders' association meetings, community banquets, and at other places where farmers gather.

Labor I would reach through house organs published now by nearly all large manufacturing concerns and read by all employees, and through addresses at as many labor meetings as possible.

Speakers to prepare for the newspapers a report of about one third of a column, stressing the salient points in their addresses. These would be published as news and people do read the news.

Would recommend that in addition to dealing with the gravity of our war position, we should give special emphasis to the calamity which would befall Canada if real inflation overtakes us.

* * *

R. P. MacLean

Editor, Courier, Kelowna, B.C.

Good war news plus faulty public relations work from Ottawa convinced the average Canadian that the war is about over. Inadequate public explanation of disbanding of two divisions and laying off of shipyard workers did much harm.

Nevertheless, if Canadians do not now appreciate the gravity of war they will never do so until Canadian forces suffer large casualties or United Nations armies receive very severe reverses. In other words, if Canadians do not now appreciate the gravity of war, they will not do so until they have been desperately shocked out of their complacency.

* * *

Ed Maloney

Program manager, Radio Station CFCN, Calgary.

Canadians have been fed too many glowing accounts from the battlefronts. Too rosy a picture has been painted. Too much satisfying color and glorification has been attached to initial successes which are only a preliminary step to the big battle yet to come. Canada has been given too much to absorb, like too much turkey on Thanksgiving.

The correction lies in curbing the imagination and flights of fancy of correspondents in favor of accurate statements of facts from allied leaders giving credit for each campaign in proportion to its bearing on the final victory.

* * *

D. F. Marshall

Editor, British Columbian, New Westminster, B.C.

Less bungling and stumbling and more positive intelligent leadership by the federal government in labor problems and the conduct of the war are required to impress Canadians that the struggle against the Axis is still far from ended. The unnecessary presence of a great army of drafted troops in Canada, with little or nothing for them to do, the laying off of workers in shipyards and machine shops, with little done to place them in other jobs and the prolonged labor bickering in British Columbia spruce camps are certainly not conducive to offsetting complacency. If Ottawa gives forceful, intelligent leadership that is so greatly needed, the people undoubtedly will respond.

* * *

Lloyd Moore

Manager, Radio Station CFRB, Toronto.

Military bands leading men in uniform will always make the spine tingle and should make Canadians who can see and hear such parades, fully realize the gravity of war.

* * *

Thornton Purkis

Advertising counsellor, Toronto.

The answer is not simple. I suggest:

1. More stringent enforcement of the National Selective Service Act.

2. Re-examination of those who personally, or through their employers, have received deferment of military service; and that low-category men be compelled to serve in all branches of the forces where A-1 physical condition is unnecessary. And that no pensions be granted for disabilities not incurred as the result of active military service (except accidents).

3. Arbitrary transfer of men and women from non-essential occupations to vital war work; including coal mining and agriculture.

4. More intelligent employment of prisoners of war in non-combatant occupations.

5. The compulsory recruitment of women to release men now in the armed forces at home for military duties abroad.

6. The compulsory recruitment of women in certain age groups for industrial occupations, on a basis similar to that now in operation in Great Britain.

7. More stringent enforcement of the Price and Wage Ceilings.

8. Greater co-operation between the armed services in the placement of recruits.

9. Don't soft-pedal bad news.

10. A frank statement from the Prime Minister or other cabinet minister to the effect that Canadian young men in all parts of the world face ordeal by battle day by day; although we hear only of spectacular performance. Also point out that when a second front is opened, these young men and their parents, wives, brothers, sisters, and sweethearts must, along with them, brace themselves to endure terrific losses, and that no political, sectional or religious differences shall be allowed to interfere with the national determination to prosecute the war through to victory. Let us show that Canada is not only a nation, but a first-class world power, and that Canadians are capable of acting in unity to prove it.

* * *

Russell C. Ronalds

President, Ronalds Advertising Agency Ltd., Montreal.

The difficulty in bringing home the horrors of war to those who are comparatively safe in our North American cities and countrysides can never, in our opinion, be wholly accomplished until these horrors have become a personal equation.

Those who live in the shadow of subjugation, who are slaves to German and Japanese oppression, already know. Those who have had fathers, sons and brothers wounded or killed already have suffered vicariously and also know. The greater proportion of Canadians is not horror-stricken or awake to an imminent danger because it has not suffered personally.

The only way to achieve this awakening process is at best substitutional—through graphic pictures and press commentaries of the stark horrors of mass execution, of tortured civilians, of blasted homes, of children made orphans through the brutality of our enemies.

Let us take our gloves off—remove the mask of so-called good taste and tell the people of Canada that war is hell and hell is just over on the other street.

* * *

F. V. Scanlan

Manager, Radio Station CJRM, Regina, Sask.

Encourage all public information media to give greater emphasis to the grim realities of the present and less to the dazzling hopes of tomorrow. There is too much pre-war mentality in the current deluge of premature postwar talk.

* * *

Victor C. Soucisse

Public relations consultant, Montreal.

Of course there is nothing like bombing to make people realize the urgency of war but for a country far removed from the theatres of war, Canada has done a truly magnificent job.

In all fields: army, navy, air force, army supplies, munitions, food and war loans, the effort has been second to none. Each of the armed forces immediately contributed effective aid. Those forces have so multiplied that it is now admitted that the potential has been reached. Further increased production of food and munitions cannot be hoped for when there is a shortage of manpower on all the home fronts.

The danger at the moment is not whether Canadians realize the gravity of the war situation but whether honest recognition is being given for what has been done. Canada has fully realized the situation from the outset and it is questionable whether any further extension of our efforts might not mortgage our future beyond repair.

* * *

L. L. Smith

Owner and manager, Radio Station CJLS, Yarmouth, N.S.

I believe the solution is elementary.

Realization of the situation, grave or otherwise, can only come from being given facts as they exist. As long as Canadians are given treatment usually accorded children or those mentally deficient and are told only what some higher-up considers the public should know, just so long will Canadians fail to realize the true situation.

* * *

Reg. G. Smith

J. J. Gibbons Ltd., Calgary.

When Canada follows the example of the British Isles by implementing a majority vote of the not forgotten plebiscite, making conscription law and totally mobilizing men, material and resources, only then will people realize the gravity of the situation.

* * *

D. J. Stuart

Editor, Independent, Biggar, Sask.

Now as never before Canadians must pull together co-operating with our government and leaders and advertising the fact that there is a war that must be won so that our sons and daughters may return home to a normal way of living.

August Wholesale Sales Up But Are Generally Lower

Dollar value of wholesale trade in Canada was up 8.5% in August over the same month last year, according to reports submitted by 300 wholesale houses to the Dominion Bureau of Statistics. For the first eight months of the year sales were up 7.1% and inventories showed a decline of 6%.

Largest increase was shown by the fruit and vegetable trade, in which there was a 49% increase for August and 30.9% for the year to date, with an increase in inventories of 7.8%. Though showing a large August increase (31.7%), sales of automobile equipment for the year are up only slightly and inventories show a decline of 17.1%.

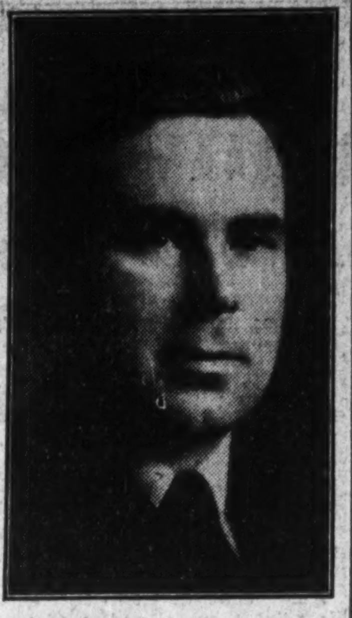
Dry goods and clothing sales showed the largest declines in August sales, and inventories have declined in largest degree in these two fields. Detailed figures are shown in the table below.

Regional analysis of results show substantial gains in Maritimes, Prairie Provinces and British Columbia, while Ontario and Quebec were only slightly changed from the volume of business in Aug., 1942.

Wholesale Trade

(% Change, 1943 Compared with 1942)

	Sales		Inventory
	Aug.	Year to date	August, 1943
Fruits & veget.	+49.0	+30.9	+7.8
Autom. equip.	+31.2	+4.0	—17.1
Tobacco & conf.	+21.6	+19.2	+29.8
Wholesale trade	+12.3	....	....
Drugs	+6.8	+10.0	+7.5
Footwear	+6.5	+13.2	—14.3
Hardware	+3.5	+1.8	—5.7
Groceries	+1.8	+2.4	+0.9
Drygoods	—11.0	—3.0	—21.3
Clothing	—16.8	+3.1	—25.4
Canada	+8.5	+7.1	—6.0



MANAGER

Albert Jarvis, who has been appointed Toronto manager for Ferris Advertising Service.

Co-operatives Gain in India

Within the last century the co-operative movement has taken a definite form in India, Paul Sykes, Canadian Trade Commissioner at Bombay, reports.

At present, says the report, there are some 4,577 co-operative societies concerned with the marketing of agricultural produce in India. These, however, make up only 4.4% of the total number of registered co-operative organizations, whose combined interests range over questions of credit, purchase, production, insurance and various other matters.

There is no universal basis for the organization of co-operative marketing societies throughout India, nor do they all conduct their business along any clearly defined lines. Depending on the type of agricultural production in different parts of the country, they concentrate simply on the collection and sale of one, or at most, a few types of produce.

The development of the co-operative marketing movement to its present proportions in a comparatively short time, says the report, has been attended by many failures. The provincial governments have in many cases been called upon to help to prevent such occurences or to correct them, and in some circumstances have subsidized these ventures. Deserving efforts have also received ready support from the banks.

Government assistance to these organizations at the present time is particularly encouraged as the quantity of food crops and of various other agricultural products must be increased to the maximum extent, owing to war conditions.

Any Estate Plan today must take account of Taxation

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Where an estate consists mainly of a business interest, the problem of finding the ready money to pay succession duties is one of the most difficult in estate planning. Generally speaking, a forced liquidation is always to be avoided. If you have a business interest and you are unlikely to have sufficient liquid assets to protect it, we invite you to consult our Officers; their wide experience may help you to solve a problem of great future consequence to your family. You will incur no obligation.

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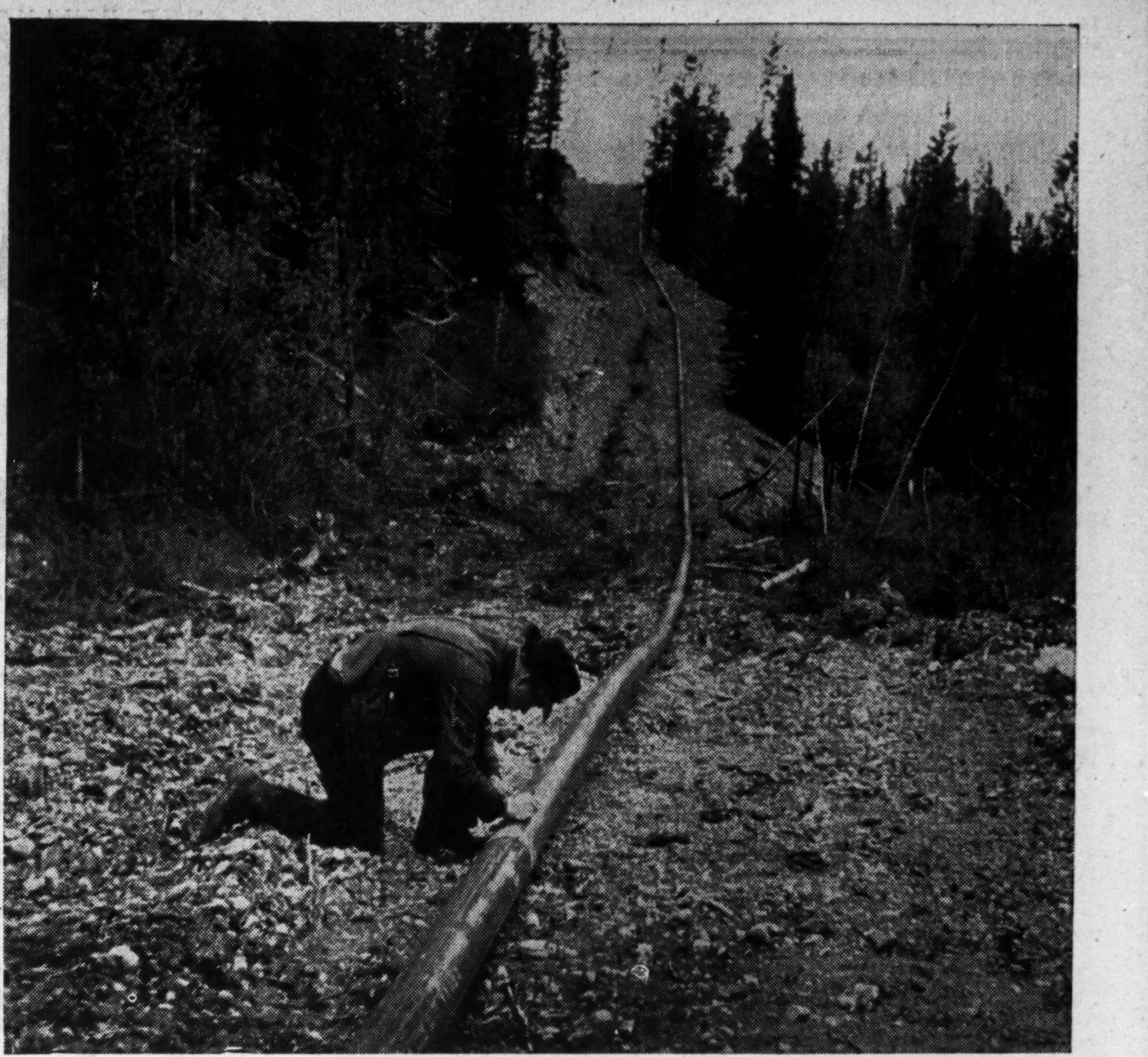
THE FINANCIAL
POST
Canada's Foremost Business Newspaper

Toronto, October 23, 1943

U.S. Critics Punching Canol; Here is Picture of the Job

Oil Development in Canadian Northwest Attacked in the U. S. — Post Writer Tells What Job Involves, What May Be Ahead For the Field



"Sometimes lost in muskeg, sometimes climbing a distant mountainside like a worm on the side of a boulder" . . . this is the pipeline from Norman Wells to the Whitehorse refinery 550 miles away. Pumps along line keep oil moving.

Among the various noisy blasts taken by recently travelling U. S. Congressmen at this and that phase of the U. S. war effort was a vigorous one at the Canal project in Canada's Northwest Territories. These announcements included the implication that Norman Wells was not a worthwhile field for development; that U. S. money should not go into development of a Canadian field; that somewhere in Alaska lay a field much more worthy of development.

As for the rumored Alaska reserve, commercial petroleum men know nothing about its potentialities, save that its development so far was very much less advanced than Norman Wells.

As for the U. S. giving Canada or a Canadian company something for nothing, R. W. Gallagher, President of Standard Oil of New Jersey, pointed out that money advanced by the U. S. Government is to be repaid by a reduction of 50 cents a barrel on the price of crude it buys after the first 1,500,000 barrels at $1.25 a barrel.

As for the justification for developing this field, Mr. Gallagher said the field "is larger than originally believed and is comparable *in size to* a major United States field, although not exceptional."

This writer gathered a good deal of information on that point which would confirm the Gallagher comment, but that material has been stricken from the following article by U. S. and/or Canadian censorship.

R. A. M.

By **RONALD A. McEACHERN**
Editor, The Financial Post

NORMAN WELLS, N.W.T.—First, let's get the geography and the names straight.

Most Canadians have long been aware that there was some kind of an oil field up here. The location of the field was usually given as Fort Norman. The doughty, bewhiskered explorer, Alexander Mackenzie, had talked about the oil seepage he saw along the bank of the great muddy river that now bears his name, away back in 1789.

Fort Norman is about 52 miles south of here. It is the historic fur trading post, has a few whites and some Indians, little more.

Norman Wells is the new post office name for this place, the centre of the oil fields as now known and the key to the whole gigantic project which is now under way.

One more point to clear up, a misconception still bothering some: The oil field here is a field just like Turner Valley, Oklahoma or Texas. The search is for crude petroleum, the problem is to drill holes in the right place and get it out.

Not the Tar Sands

In other words, this is not the location of the Athabasca tar sands, about which so many speeches have been made and about which the claim is advanced that the tar sands are the world's greatest untapped petroleum reserve.

The Athabasca tar sands are some 750 miles south east of here at Fort McMurray. Their importance to Canada and the world at the present time is seriously limited by the fact that a process for extracting the oil from the sands on a large scale and economic basis has apparently yet to be worked out.

I had long since got tired of looking at the seemingly endless sea of muskeg and twisting yellow rivers below as we flew up the line from Fort Nelson.

Dozing on the narrow plank running along each side of our airplane, I came awake fast when our pilot rang the loud bell which is the signal for paratroopers to jump. Down below our nose was a heavy black plume of smoke and a few shiny oil tanks. on the east side of the river.

The Social Centre

Half a mile away down by the river bank in a birch grove is the nerve and social centre of the oil development project.

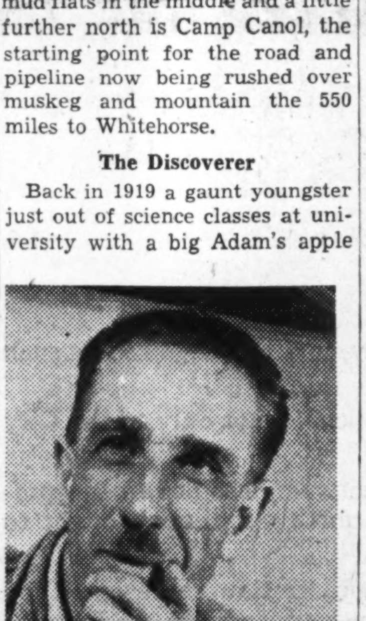
There's one big new two-story frame hotel built to accommodate about 150 people by the owners of the original field, Imperial Oil Ltd. Now it is jammed and "sleeps" and "eats" some 400 people. Upstairs in a suite on the river side dwell some of the outstanding oil geology and petroleum engineering brains of the continent. A couple of 100-yard long avenues of wall tents and huts stretch out along the river bank through to trees. Further down along the river bank is the old refinery.

Since 1939 this refinery with its 850 bbls. a day maximum capacity has served local demand for oil products. To meet that need it operated only a few months of the year. Now it is going full blast all the time.

Five miles away across the tawny, fast-flowing river, past the mud flats in the middle and a little further north is Camp Canol, the starting point for the road and pipeline now being rushed over muskeg and mountain the 550 miles to Whitehorse.

The Discoverer

Back in 1919 a gaunt youngster just out of science classes at university with a big Adam's apple was sent up here by Imperial Oil to look around. He was Theodore August Link. He found the spot explorer Mackenzie had talked about in his journals. Next summer Link went back, drilled close to the river and in Aug., 1920, found he had a very nice producer—which in the oil business means other wells are almost certain to be forthcoming. In later months and years, Imperial Oil drilled some more wells, got all the oil that could be handled in this part of the world—and more.



Dr. Theodore A. Link, who discovered the first oil well at Norman.

Now Dr. Link is back on his old ground as chief geologist.

As field superintendent is quiet, greying Walker L. Taylor who has done a similar job for Imperial in Turner Valley.

As project manager is P. W. Lambright on loan from the parent company, Standard Oil of New Jersey. Rotund and dapper, Mr. Lambright has done big oil field development jobs in many parts of the world. Up to the outbreak of war he was running a major development project in the Rumanian oil fields of Ploesti. He escaped by the skin of his teeth.

In charge for the American Army is Capt. Theodore Wyman, Jr., a serious youth in his early thirties who grew up in the oil business, graduated from the Michigan School of Mines and held an important production job with Gulf Oil Corp. in Oklahoma. The captain earns less than most of his truck drivers.

There's a complicated set up here on the Norman Wells project. It involves two governments, the U. S. Army, American contractors and Imperial Oil.

Here briefly is the situation:

Imperial Oil went in in 1919 and the following year drilled the discovery well. The war emergency created a need for oil in this part of the world far beyond the normal or anticipated peacetime demands of the area. A deal for speedy and broad-scale development was worked out. The U. S. Government puts up the money. The U. S. Army is in charge of the job. Imperial Oil and Noble Drilling Co. are contractors carrying out the work. Geological survey parties are looking for additional fields.

But in all, the U. S. Army follows the advice and direction of Imperial Oil men who are the experts on the job. Imperial directs the survey work; tells Noble where to drill; directs further development of the original Norman field.

When the war is over, Imperial Oil and the Canadian Government have a joint 50-50 interest in all the new wells and oil reserves developed by this program.

Here is the picture to date:

Easy Drilling

Imperial Oil has been punching holes into its ground at a very fast rate. Fortunately drilling depths are shallow, only around 1,200 ft., and the formation permits relatively fast and trouble-free going.

There are now about 25 producing wells.

Because the entire field is under one management, maximum total production and minimum waste of gas pressure can be obtained. Compared with most North American oil field developments, this will be a model of efficiency and thrift in the use of natural resources.

Present proven production and estimated reserve of the Norman field is regarded as entirely adequate to justify construction of the pipeline to Whitehorse and of the refinery there.

How Much Oil

Now, the important question is: How much more oil can we develop in this area? The present line and field can't carry the entire load. The northern oil supply situation is not yet tapped.

Because of the need for speed and because Imperial Oil hands are full developing the original field, the wildcatting is being done by the Noble Drilling Co., one of the largest and best known operators of the United States, under Imperial direction.

In addition, Imperial Oil has several parties of geologists out ranging several hundred miles up and down the river looking for geological formations which, from appearances and seismograph tests, look to be worth spending a lot of money on—still the only final way of finding the right answer.

Will they find another oil field? Nobody can be sure of the answer. But the experts say the outlook is favorable. And the people who employ the experts have development works already on the drafting board which attest their confidence.

What are such further developments?

The Pipeline Job

One for instance might be a larger pipeline.

Building the pipeline the 550 miles to Whitehorse is 90% a road-building operation. A road—or at least a trail navigable by trucks—is the prime requisite for supplying the men and machines "on the head of the line." The road has to carry out pipe and pipe welding machinery and every mile the pipe advances the road has to carry two more miles of traffic in men, food supplies, fuel and equipment.

Laying this pipe is just a little job. Up here they sneer at that part of it. Replacing the present line with a larger one will be another easy and swift job. For the road will be in, the supply organization built up, the pumping station established.

One unique and remarkable advantage the builders have is the kind of oil the pipeline is to carry. It has a— 70° pour point; has a paraffin base 38-39 API Baume.

All of which means that it is a very high quality crude with the most unusual quality of not congealing until the thermometer is 70 below zero, according to petroleum engineers.

That's the reason pipeline building is such a simple part of the operation. Instead of having to dig a trench, put in the welded pipe and cover it over, pipe here snakes along the ground—sometimes lost in the muskeg, sometimes running underneath the road through a simple conduit, sometimes climbing a distant mountainside like a worm on the side of a boulder. Putting it in loose, hence erratic in direction, is part of the engineering know-how. It permits contraction and expansion in changing temperatures.

When I was there, the precise route for the pipe-line had still to be determined. Coming in from Whitehorse were two exploration parties testing out alternative routes.

Pack dogs, each with 30 pounds of foods and supplies on their backs were helping one party trying out one route which, from maps and aerial photography, looked promising.

Pack horses were helping another exploration party. Whether they can get the horses out before winter is a moot problem. There are small planes on pontoons available to dart into the wilderness. They can bring out the men on the trip. They can keep the men fed. The horses may be shot.

Selecting the pipeline route for this cross-country adventure includes many problems the layman and the temperate-region-dweller doesn't think about.

First of all, the pipeline has to go approximately the route along which it is easiest to build a road—not a boulevard, or a highway. Just a road that will permit the passage of hundreds of trucks.

"One of the curses of this job is the local experts," a U. S. officer said to me.

Others suggested that if the visitors had listened earlier to the "local experts" they would be months further ahead with the job; and the pipeline might have been finished by this year end as scheduled, instead of sometime next summer as predicted by everybody on the job except top officialdom which grimly told this reporter that schedules would be met.

In the words of one catskinner, "Well, we didn't know nothing about this stuff. We was digging ditches, not roads."

Here's what happened. Bulldozers were sent tearing through the muskeg to open up a road. The obvious approach seemed to be to tear off such trees, the moss and mud on top, smooth it up, then grade the road and gravel it where necessary.

Result of this procedure was to have bulldozers disappearing over their radiator caps in the mud; scores of loads of gravel dumped into apparently bottomless pits of muskeg.

Constantly sections of road disappeared; no matter how much care and fortification road stretches got, some remained sure and inevitable traps for any vehicle less agile than a jeep.

Learning the Hard Way

Eventually, after a lot of road was abandoned a new road building technique was adopted. Brains plus knowledge of the north had got together.

The original technique was wrong for this reason. Scrub trees and moss covered the mud. Two to six feet of mud cover the primeval ice — though in some spots the mud seems bottomless.

The early technique of scraping off the trees and moss and mud let the warmer summer air into the ice and constant melting resulted in the ice cap simply swallowing up man's eager handiwork.

The new technique borrows lessons from the home refrigerator. The top surface of scrub brush, moss and mud is disturbed. as little as possible along the path of the roadway. This stuff is left in position as nature's own best insulation. To fortify and enhance the insulation—to let the eternal frost do its own fine job of road foundation building—bulldozers work on each side of the road. There they can scrape the mud and moss up onto the roadway to add to the insulation and the body. The roadsides may become bottomless, melting pits of muck and thawing ice, but the roadway's ice foundation remains firm.

Incidentally the Russians have given some valuable information for this project. In Siberia they encounter similar problems. With forthright and totalitarian zeal they have put squads of scientists on the job. Now engineers here work with large volumes translated from the Russian at their elbow. Because the Russians have done the work in this field of investigation there are still no Anglo-Saxon terms for some of the conditions encountered. Hence,

(Continued on page 17)

Will the C.C.F.-Bloc Populaire Mix?

Together They Might Control an Over-all Majority in House

By **AUSTIN F. CROSS.**

The Quebec political pot is boiling again, with strange potions being concocted from time to time. One would merge the CCF and the Bloc Populaire if and when they ever reach Ottawa in sufficient numbers to mean anything. The other brew would have Maurice Duplessis sooner or later taking over the Bloc in the provincial field.

No matter how much you stir up water in a well, when it grows placid again, the water always shows the same reflection. But if you churn up the stew, known as Quebec politics, you do not get the same picture, when it assumes a level surface once more. Thus, Quebec always provides an interesting if sometimes blurred picture.

Right now it is said Maurice Duplessis is planning to take in the Blocists as a provincial force. Though denied by some Bloc supporters, the thesis is that, provincially, the Bloc is leaderless, and, therefore, powerless. It is indicated that while René Chaloult may sound off in picturesque style, the Bloc does not see in him leadership material. Nor does Edouard Lacroix, wealthy lumberman from Beauce, appear to have very much appeal. While Quebeckers do not deny the force of his ambitions, they claim that his personality does not add up to the man they want to see lead their fortunes in Quebec.

Same Old Story.

Again there is Dr. Pierre Gauthier, Portneuf physician, who has tiffed with federal authorities before now. But he is seen as not much better than a local leader. He has no message for the Bloc which its followers have not already heard is their view.

Maxime Raymond, seriously indisposed by his long illness—he never appeared in Parliament after his collapse—is seen as a symbolic head, but he too functions in the federal field. Even if Mr. Raymond were well, and could temporarily look after provincial and federal affairs both, it is claimed a provincial leader ultimately would have to be found.

This does not discount the willing hands and eager hearts, and even stronger voices who now, sensing some kind of triumph ahead, want to get aboard the Bloc bandwagon. But the fact is the Bloc will go nowhere without good leadership. At the moment they have almost none in the provincial field.

May Join Duplessis.

This the Bloc specifically denies, but many who are close to the scene think Duplessis will take them in. Actually there is some quarrelling among this isolationist group: in the Stanstead by-elections some Bloc leaders would not go there, while others refused to step into Cartier. Fact is, they are feuding among themselves.

Liberal observers, neutral to a degree in this matter, see the Bloc weakening itself somewhat in the scramble of its leaders for power. They also envision Duplessis' opportunity. His provincialism, his quasi-isolationism, his vendetta against Ottawa, his "Quebec - for - Quebeckers" pronouncements and, above all, his attitude regarding the war endear him to Bloc hearts. Politically, they may renounce him; but when it comes time to do something practical, the Bloc is no visionary group of idealistic dreamers.

Make no mistake about it: they want power. And if Maurice of Three Rivers can give them what they want, then Maurice is likely to have their allegiance. It may only be a sort of armed truce, but it will give them a share of government nonetheless.

Look at it this way. Suppose we count ten over Godbout and declare him knocked out. That leaves the Bloc and the Union Nationale to fight it out in the next Quebec Provincial battle. Remember the Ontario elections? Remember what happened to Nixon? Well, that may happen to Hon. Adelard, they say. Follow a little further, suppose Duplessis gets what Drew got, and the Bloc what the CCF got. If the Bloc were so close to power, but not actually exercising it, would it not be natural for them to coalesce with Duplessis?

The Bloc can talk all it wants to now about what it is going to do, but when it nears power, it will not undergo the tortures of Tantalus just for an ideal; it will sign up with Duplessis, take its share of portfolios, and be part of the government of Quebec.

On the other hand, the Bloc does not now approve of Duplessis, according to one spokesman who talks to more Bloc supporters than anybody I know. He has this to say:

"At one time, a good many of our present Bloc members supported Duplessis; but not so today. He talks now about low wages, about poor prices. If he feels that wages are low, why did he not do something when he was in power? In 1936 before he went in, he said he was going to do this and that. He promised to reform wage scales. But in three years he did not do so. He had his chance and missed it. Do you think we want to give him another? After all, Duplessis is not new to politics. He had his opportunity when in power. He didn't take it.

"Again, another reason why we want none of the Bloc is that, outside Duplessis, what supporters have they? I may say they have almost nobody. Their Cabinet was weak, and they still lack good men. No, I can't see Duplessis leading us, and I do not think we shall ever go in with him."

Like An Ancient Truce.

On the other hand, we must discount our Bloc friend, however sincere, for the hard logic of events is going to be too much for sentiment. If ever they run about even-steven in Quebec, then there is little doubt that willy-nilly they will have to coalesce with Monsieur Maurice. True, it may be like one of those ancient truces, perhaps such as that of Napoleon and the Tsar when they met on a raft at Tilsit, in sight of both armies and with no trust on either side. Events forced these two reluctantly to join hands—at least temporarily. Ditto for Duplessis and the Bloc. Thus, no matter what protestations are made by the Raymond party, most realists believe these two will have the choice of hanging together, or languishing through a stalemate..

Cardin "Deuces Wild."

At this point we come to something else. Well, Hon. Arthur Cardin may best be symbolized as "deuces wild." No one knows whether he craves a federal role, or a provincial niche. Not young, regarded as a sick man, even yet he has vaulting ambitions. That he could not step into Lapointe's shoes, and had to stand by and fume while the elegant but politically inept St. Laurent took the enticing Justice portfolio, is something Cardin never got over. If he thought he could salvage the Liberal party in Quebec, and thereby become Premier, doubtless he would sidle in and edge out Godbout. But if, on the other hand, he feels he could get somewhere federally, and spill a few beans all over Parliament Hill as well, he might try that too.

"Ginger" Group.

It is significant that the ginger group of dissident Liberals did not attend the King caucus. They preferred to be alone. In this connection one recalls a play by the Italian dramatist, Pirandello, the plot of which concerned six actors in search of an author. Here are some politicians in search of a party.

Cardin hasn't quite made up his mind where he wants to go. But when he does, sure as shooting, he can count on quite a few quondam Liberals. Very likely to bolt are Emanuel D'Anjou, Rimouski; Lionel Bertrand, Terrebonne; Sarto Fournier, Rosemount; Wilfrid Lacroix, Quebec-Montmorenci; Lucien Dubois, Nicolet-Yamaska; and perhaps the unpredictable Jean Francois Pouliot, Temiscouata. It is also possible that some of the doubtfuls, like L. P. Lizotte of Kamouraska, may come out in the open and avow themselves Cardinists.

Thus Cardin is still deuces wild. He represents a potential threat in Quebec, and he can give King a nasty jolt at Ottawa. The Boss wishes there were something he could do about his erstwhile privy councillor. In fact, Mr. King probably would be glad to give Mr.

(Continued on page 17)

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MONTREAL POWER
answers
THE PREMIER OF QUEBEC

In reading the announcement made by the Prime Minister of the Province of Quebec on October 8th, 1943, regarding the introduction of legislation at the forthcoming session of the Quebec Legislature, in conjunction with the Notice received by the Company on the same date from the Public Service Board, it would seem that it is the purpose of the Government to destroy the credit and value of an important public utility of this Province.

This public utility has been built up over a period of fifty years by strict compliance with the laws of the Province and is today generally recognized as being the most economically operated public utility of its kind on the continent, with a present credit standing superior to that of the Province itself, all due to the courage, foresight and enterprise of those responsible for the development and administration of the Company during all these years.

The following figures indicate the development and growth during these years:

Year	*Population*	*Electricity Sales (Kilowatt-hours)*
1902	333,861	43,000,000
1942	1,129,407	3,800,000,000

The Prime Minister in his statement has failed to recognize the fact that the Province itself (to stimulate competition in the electrical field) freely granted charters to any person willing to go into the business, and, consequently, was responsible for the creation of a large number of uneconomical units involving, literally, forests of duplicate pole lines in the area served by the Company.

The Company had no alternative but to meet and solve the condition resulting from such a policy, and in the course of time succeeded in merging these numerous competing units into one integral system, having for effect the elimination of waste and the forests of poles, followed by the periodic reduction of rates as indicated below:

ELECTRIC LIGHTING SERVICE

Year	*Net Rate per Kilowatt-hour (cents)*
1908	12.75
1909	10.00
1910	9.00
1911	7.50
1912	7.00
1913	6.40
1914	6.00
1916	5.00
1919	4.80
1923	4.25
1924	4.00
1925	3.50
1928	3.25
1930	3.00 to 1.50
1933	2.52 to 0.90

COST OF ELECTRICITY IN THE HOME
1942

Customers	*AVERAGE PER CUSTOMER*		
Number	*Per Year*	*Per Month*	*Per Day*
237,721	$20.06	$1.67	5.4 cents

Since 1933 reductions in rates have been applied to specific classes of electricity services.

As to the charge that the Company is a monopoly, the answer is that the Electrical Industry is of necessity a monopoly, and is recognized as such by everyone including the Government and the Public Service Board. Is the Company to be penalized because of this fact?

It should be emphasized that the Company, in the process of its development has devised a uniform tariff of rates applicable, not only to the City of Montreal, but to forty-seven other municipalities in the area which it serves, the majority of which are rural in character.

The Prime Minister's statement implies that the Company has exploited the people. The fact that the rates for electricity services have been progressively reduced, as above indicated, and are generally recognized as being lower than those charged by any other similar utility on this continent, ought to be sufficient proof that the public has not been exploited.

The Prime Minister appears to have based his charge of exploitation on the supposed millions of dollars of capitalization represented by franchises and goodwill. It would be interesting to know where the Prime Minister got his information, since no item of goodwill has ever appeared in the Balance Sheet of either the present Company or of any of its predecessors, nor has any specific value been placed upon franchises.

The word "franchises" appears for the first time in the 1938 Balance Sheet of the Company in the general description of its assets, which general description is a literal copy of the 1937 legislation enumerating the assets upon which the "Distributor" is to be assured a reasonable return (1 Geo. VI, Chapter 25, Section 12) but no specific value has ever been attributed to franchises on the books of the Company.

The Prime Minister states that a radical measure has become necessary to make electricity service available to the people of this Province under conditions similar to those existing in Ontario. He has failed to state that if there are any rates charged by this Company for electricity which are higher than those charged for similar service in Ontario, that fact is exclusively due to discriminatory tax laws — Federal, Provincial and Municipal — to which this Company is subject and from which the publicly-owned utilities of the Province of Ontario are practically exempt. These taxes for the years 1937 to 1942, inclusive, amounted to $31,750,000 and are presently running at the rate of $8,000,000 per annum. The Prime Minister knows that the Company has repeatedly stated its willingness to rebate the amount of such taxes to its customers if, like Ontario, it is relieved of the taxes.

Concurrently with the Prime Minister's statement, the Company received a Notice from the Public Service Board that it proposes to disregard the value of the Company's assets and to assume as a basis for fixing rates, values which in no way purport to reflect the real value of its assets. Does the Prime Minister realize if such action is taken that the thirty thousand Shareholders of the Company (of whom over two-thirds reside in the Province) will be penalized and a considerable portion of their equity in the enterprise confiscated?

The Notice served by the Public Service Board clearly shows that present values in respect of the property of the Company are completely ignored. Nothing is considered but original cost (no matter when incurred) from which is deducted so-called imprudent investments and depreciation. Cost and value very seldom coincide even for a single item. They will never coincide for a large number of items, as in this case. In view of the course of events in this country, cost, except in the case of imprudent investment, is generally much lower than values of today. If it is advantageous for the Province to expropriate this Company, as the Prime Minister's statement would indicate, then it is obvious that the public will demand public ownership in all sections of the Province. Universal public ownership of this industry may, therefore, be expected as a consequence of this initial step.

The investing public may well wonder if the confiscatory substitution of cost in place of value is to be applied only to this Company or is to be the universal rule. Will it be applied in other cases where as may happen after this war, costs will be higher than value, the rule then working against the Government? Is it to be applied only when helpful to the Government and disregarded when not? How can the substitution of "cost" for "value" avoid confiscation?

The Prime Minister states that his Government proposes to introduce legislation at the next session of the Legislature to take over the electrical branch of the Company's business only, and the Public Service Board in its Notice indicates that it proposes to fix rates for that branch of the business on the basis of the "joint" operation by the Company of both electricity and gas, without regard to the large economies which result from the joint operation of the two services. **Assuming that the Government can operate the system as efficiently and economically as does the Company,** does the Prime Minister realize that if rates are fixed on this basis, and the Government subsequently takes over the electrical branch of the business only, the Government will be forced to either increase rates for electricity or operate at a deficit?

The investing public should ask the Prime Minister why, in attacking the Company, he has proceeded upon the assumption that the Company will not be able to justify its position before the Public Service Board, or in other words, why he has prejudged the case.

Consistent with the rendering to the public of the highest quality of service at the lowest possible rates and pending the outcome of these proceedings, the Shareholders of the Company can be reassured that no stone will be left unturned to protect their investment and to vigourously resist any attempt at confiscation.

Montreal, October 14th, 1943.

J. Norris

PRESIDENT

We Have Been Asked . .

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed.

INCOME TAX

Helps Brother

My income tax this year is $950. My brother is poor and I intend to give him $300 as charity. Can I deduct this $300 from the $950 I have to pay the government?

No. The only grounds on which you can get allowance for this payment to your brother is if he is totally dependent on you, because of mental or physical infirmity. In that case you would deduct 20% of the contribution from your graduated tax payable up to a minimum of $80. In your case this would be $60. Then you may also deduct on his account $28 from your normal tax.

Pays Premiums in Advance

I have a life insurance policy on which I have paid several premiums in advance of the due date. Am I entitled to allowances as regards compulsory savings the same as if I paid the premiums the year they are due?

Yes. You deduct the premiums the same way as if you paid one year's premium each year. Thus, suppose this year you pay five years' premiums in advance. You deduct one year's premiums from your 1943 compulsory savings; one year's premium from 1944 compulsory savings and so on.

Quarterly Payments

I am a widow with my income derived entirely from investments. When is my income tax for 1943 due?

You should pay your income tax in quarterly installments. The first installment was due March 31, when you should have paid 20% of your estimated tax for the year. You should also have paid 25% June 30 and 25% Sept. 30. The balance of 30% is payable Dec. 30. If it is not possible to clean up the outstanding balance then, this should be done when the income tax return is filed on or before April 30, 1944. You are now three payments in arrears. Accordingly you should make these payments as soon as possible and explain the circumstances to the income tax authorities.

INVESTMENTS

Par or No Par

Is there any difference to the investor between stocks of par value and those without par value?

By and large, we would say that *there is no* difference to the investor whether he purchases a common stock with or without par value. His holding represents a certain proportion of the total earnings of the company, or of their assets in winding up, and the existence of a par value to the stock will have no effect on the size of his share of the total earnings or assets.

Government regulations both in Canada and abroad sometimes favor the issuance of one type in preference to the other, but most of these cases are highly technical and it is impossible to give a general answer. For example, Steep Rock Iron Mines recently changed its stock from no par value to $1 par value. This was to render the stock more easily marketable in the United States owing to certain regulations there which favor the stock with a par value.

In the case of a company which is winding up its business, if there is anything to be distributed in excess of the par value of the stock outstanding the excess is regarded as income and would be taxable but this would also be the case with stock of no par value since any excess over the original capital contributed by the shareholder would be regarded as income and be taxable.

There are certain cases in the re-organization of a company, where, for example, common shares are to be distributed to preferred shareholders in settlement of arrears of dividends, where a no par value stock has an advantage. In these cases a par value stock might be regarded as income, whereas the no par value might not be so regarded.

Riverside Bonds

I hold some Riverside bonds. What is the town's present status?

The finances of the Town of Riverside are being carried on under a temporary plan which provides for interest payments of 1% on all outstanding debentures, regardless of their actual coupon rate. When the plan went into effect the beginning of 1940, the debt of the town stood at approximately $3 millions. It was made compulsory on the town to raise a minimum of $47,000 by taxation, of which some $30,000 was allocated to pay the 1% interest on the outstanding debts, the balance to be applied in purchase of the town's bonds on the open market.

Since the plan went into effect, the town has made a substantial improvement, largely due to war conditions. There has been a substantial collection of tax arrears and sale of lands held by the town, with the result that the outstanding debt has been reduced to around $2.3 millions.

At the end of 1944, the town's affairs will come up for security again to see whether it will be possible to move to a permanent plan of reorganization. Unless there is a still further improvement in the town's position, it is felt that there is not a great deal of likelihood of arriving at a permanent plan at the end of next year. It would, for example, require approximately $80,000 to service the present debt at a rate of 1½%, including redemptions of principal. It is felt, that debenture holders now receiving 1% interest, would prefer to continue the present temporary basis for another five years rather than accept the permanent plan with a very low coupon rate.

Consequently, it is anticipated that another five-year plan will very probably follow the present plan, giving the town a further opportunity to reduce its outstanding debt by purchases in the open market.

CPR and Imperial

I hold C.P.R. and Imperial Oil, bought at recent levels, in hopes of a profit in the near future. What are my chances?

Your enquiry regarding C.P.R. and Imperial Oil, appears to depend mainly on the outlook for the general market. The outlook at the moment of writing is far from clear. Both in New York and in Canada, stock prices have moved up fairly steadily over the past year as investors have come to realize that they had been excessively pessimistic as to the war outlook, and that prices were too low in the light of a possible victory in the not-too-distant future. Apparently, however, the markets have discounted the possibility of victory and appear to be awaiting developments as to what really lies ahead once victory is secured.

In the light of these circumstances, New York market commentators describe the present phase as a minor decline in a long upward trend. If the market declines further, they will be forced to label it as a major decline but for the most part few are heralding any drastic downward move. It is impossible to predict how long it will be necessary to wait before the advance is resumed, if it is going to be resumed.

New Wartime Regulations

Post Summary of Latest Ottawa Rulings

Motor Vehicle Controller, M & S Order No. M.V.C. 001A, March 31, rescinds Order No. 001. Motor Vehicle Controller, J. H. Berry.

* * *

Rubber Controller, M & S Order No. Rubber 4-B, Sept. 17, amends Order. No. 4 by removing restrictions on the use of passenger type camelback for retreading, and other changes. Deputy Rubber Controller, J. A. Martin.

* * *

Sale of Parts or Pieces of Cloth for Suit Lengths. WPTB Order No. A-896, Sept. 25, revokes Order No. A-316 respecting the sale by manufacturers, wholesalers, jobbers of parts or pieces of cloth for suit lengths. Co-ordinator of Textile and Clothing, F. B. Walls.

* * *

Men's, Youths', Boys' and Ladies' Outer Wool Clothing. WPTB Order No. A-896, Sept. 25, makes amendments to and deletions from Order No. A207 resulting principally in removal of restrictions on making trousers with cuffs and two-pant suits. Administrator of Fine Clothing, H. R. Cohen.

* * *

Maximum Prices of Apples. WPTB Order No. A-892, Sept. 27, sets up schedules of apple prices by grades for various areas, lays down other regulations for the sale of apples including provision for maximum price increases and the handling of sale and purchase records. Administrator of Fresh Fruits and Vegetables, E. J. Chambers.

* * *

Maximum Prices for Fuelwood. WPTB Fuelwood Order No. 76, Sept. 23, amends Fuelwood Order No. 59 dealing with fuelwood prices in eastern Ontario and adjacent parts of Quebec by providing a price schedule and other provision for the sale of hardwood and softwood slabs.

* * *

Maximum Prices for Pacific Coast Fish. WPTB Order No. A-898, Sept. 24, amends Order A-381 respecting maximum prices for pilchards and of frozen salmon, soles, brills and witches caught in pacific coast waters. The new order deletes from the old provisions restricting it to fish caught during the 1942 season. Administrator of Fish & Fish Products, A. N. McLean.

* * *

Maximum Prices for Retail Cuts of Lamb. WPTB Order No. 322, Sept. 25, comes into effect Oct. 12 and fixes maximum prices on sales of lamb at retail by persons in zones established by Order No. 196. D. Gordon, chairman.

* * *

Rationing of New Farm Machinery and Equipment. WPTB Order No. 313, Sept. 28, removes certain types of farm machinery from the list of rationed items. D. Gordon, Chairman.

* * *

Rationed Foods (Preserves). WPTB Order No. 317, Sept. 28, alters Order No. 308 with respect to ration coupons values of certain preserves, increasing those for extracted honey, molasses, maple syrup, corn syrup, cane syrup, blended table syrup and comb honey. D. Gordon, chairman.

* * *

Priority Sales of Evaporated Milk. WPTB Order No. 326, Oct. 1, establishes rules and procedure for allocating evaporated milk priorities to industrial users and preferred consumers. D. Gordon, chairman.

* * *

Division of Combined Wholesale Markups. WPTB Order No. 325, Oct. 1, gives the Administrator of Wholesale Trade power to determine the conditions of division of combined wholesale markups between wholesale distributors. D. Gordon, chairman.

* * *

Soft Drink Bottle Carry-Outs. WPTB Order No. A-909, Oct. 4, prohibits the manufacture of cartons for consumer's use in carrying soft drinks. Administrator, Packages & Converted Paper Products, C. V. Hodder.

* * *

Bread and Bakery Products.—WPTB Order No. A-908, Oct. 4, consolidates previous orders and revokes Order No. A-863 as amended by Order No. A-879. The effect of the order is to lift restrictions on the baking of several products. The restrictions had never been put into effect. Administrator of Flour & Cereal Products, J. J. Page.

* * *

Metal Containers and Closures. WPTB Order No. A-912, Oct. 6, amends Order No. A-860 by deleting second and third sentences in Section 7, adding a number of items to Schedules "A" and "B" and amending two items in Schedule "B." Administrator of Metal Containers, L. F. Burrows.

* * *

Used Domestic Stoves, Ranges and other Cooking or Heating Appliances. WPTB Order No. A-914, Oct. 8, revokes and replaces Orders Nos. AA-396, A-540 and A-641. It deals with the highest prices at which dealers may sell used stoves, ranges, etc., and also with other matters concerning the sale of such used goods. Administrator of Used Goods, S. Godfrey.

* * *

Elastic and Non-Elastic Webbing for Garters and Suspenders. WPTB Order No. A-911, Oct. 6, revokes Order No. A-770 and substitutes further regulations which represent a modification of the first order. Deputy Co-ordinator of Textiles & Clothing, Henry Morgan.

* * *

Maximum Prices for Wheat Distillers' Dried Grains. WPTB Order No. A-890, Oct. 7, provides a schedule of maximum prices for wheat distillers' dried grains exclusive of transportation charges and makes provision for the addition of transportation costs, handling of records and other matters. Feeds Administrator, J. G. Davidson.

* * *

Maximum Prices of Onions. WPTB Order No. A-916, Oct. 8, sets maximum prices for domestic and imported onions which may be charged by wholesalers, retailers or shippers (including primary producers), and provides rules for the handling of records. Administrator of Fresh Fruits & Vegetables, E. J. Chambers.

* * *

Men's and Boys' Garments. WPTB Order No. A-918, Oct. 9, regulates prices and manufacture of men's and boys' fine negligee and utility shirts, pyjamas, flatcut underwear and boys' blouses and shirtwaists. Administrator of Men's and Boys' Furnishings, J. D. C. Forsyth.

* * *

Multiple Cardboard Containers and "Jumbo" Display Packages for Tobacco Products. WPTB Order No. A-919, Oct. 12, prohibits the making of oversize tobacco containers for display, or the making of containers for packages of cigarettes and other tobacco products. Administrator of Tobacco, D. Sim.

* * *

Conservation and Distribution of Certain Spices. WPTB Order No. A-291, Oct. 12, amplifies and consolidates previous directives dealing with conservation and distribution of certain spices, fixing volume of sales allowed spice on basis of sales in the last six months of 1941. Administrator of Tea, Coffee, and Spices, R. T. Mohan.

PLAN AHEAD

The government of Canada has announced plans to finance much of the war expenditure out of current revenue. War taxes of various sorts are being imposed. To meet them the first step is to save systematically. Open an account with this Corporation and be ready when the government calls.

2% on Savings—Safety Deposit Boxes $3 and up —Mortgage Loans.

CANADA PERMANENT Mortgage Corporation
Head Office, 320 Bay St., Toronto
Assets Exceed $62,000,000.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
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THE WAY I SEE IT—

ANNIE'S GOT A POST-WAR PLAN F'R A NEW SEWIN' MACHINE —SHE'S BUYIN'

Victory Bonds

New Books

Lost People Big Problem

THE DISPLACEMENT OF POPULATION IN EUROPE. By Eugene M. Kulischer. Published by the International Labor Office, Montreal, Que. Price $1.50 (paper bound $1).

The number of people who have been torn from their homes in their native soil in Europe since the beginning of the war is equal to from three to four times the entire population of Canada, according to the estimate contained in this study by the International Labor Office. And on top of this there are millions of Europeans who, without having left their native country, have moved from their homes either to engage in forced labor within their country's borders or as evacuees from bombed cities and coastal defense areas.

"If all these movements could properly be taken into account," the study says, "the result would certainly be a grand total of over 40 millions."

Authors of the current report are Prof. Eugene M. Kulischer, New York, who has consulted with Pierre Waelbroeck, chief of the labor conditions, employment and migration section of the International Labor Office.

This study of Europe's population problem is one of the first authentic accounts which has corralled the available information in such a way as to present a clear picture of the tremendous population problem which has to be faced in postwar Europe.

Problem Created

A great deal has already been written of the problem that Nazi Germany has created through its depredations in the finances of the occupied territories, where ownership of property has been scrambled by manipulations which have almost completely obscured the true ownership before the Nazis took over. By contrast, the scrambling of populations has received very scant attention, although it has created an equally confused and difficult problem.

More than four million Poles have been moved by the Germans, more than four million Jews have been similarly dispersed and half a million have been evacuated from Alsace-Lorraine.

The German invasion of Soviet Russia resulted in a movement of over 12 million people to the protection of the Urals by the Soviet Government. And although these are some of the more striking examples of wholesale evacuation, they do not take into account the movements of German nationals from other nations either back into Germany or into occupied territories which the Nazis had reserved for them. The study is liberally illustrated with maps showing the various phases of the migrations.

Object of the study is not to provide the solution for these problems; simply to illustrate them. But it points out that in some cases repatriation will be the obvious solution. The vast majority of the people concerned will ask nothing better, and their help will be needed to rebuild their countries. Such a wholesale repatriation will almost certainly involve some form of International co-operation and it appears highly probable that there will have to be some redistribution of labor to effect a complete cure and maintain full employment. Immigration away from Europe probably will be stimulated by this process of uprooting during wartime, and this too will require some form of international co-operation.

Page-Hersey Tubes, in the statement accompanying its regular quarterly dividend, reports that there has been no change in the situation with regard to exports. The company withdrew from the export field in 1942 due to war exigencies. The report adds:

"A partial resumption of this trade in pipes and tubes for the essential needs of the United Nations has not yet been authorized. Your company is hopeful that the study now being given to this problem by the Dominion Government will enable Canadian manufacturers to retain established export connections, so essential to post-war rehabilitation."

Ottawa Tightening Up On Size of New Houses

Builders Now Granted Permits on Basis of House Size, Rather Than Value: 900 Sq. Ft. Only for a Bungalow

Curtailment by Ottawa of civilian building, except at centres where shortage of accommodation is most severe, is seen as one of the reasons for earlier seasonal recession of house building in Canada this year, The Finacial Post is informed by representative large-scale builders.

According to announcement by Munitions Minister Howe a month ago, supply shortages—said to be in lumber, hardwood flooring, furnaces and eavetrough metal, plumbing supplies and equipment, and labor notably bricklayers and carpenters—had made it necessary substantially to reduce the number of licenses issued by Construction Controller John Schofield.

New Standard Imposed

Soon after the Howe declaration, the construction industry was informed that licenses would be granted thereafter on the basis of size of the proposed house rather than value; instead of applying for authority to build "at $5,000" the builder would ask for a license for a house with a stipulated floor area, and permissions would be given on no other standard.

Permitted for a bungalow is a 900 sq. ft. area, or 700 sq. ft. per floor for a 1½- or 2-story house, these limits calculated on exterior dimensions, including garages, verandahs, etc., with no basement or attic recreation rooms allowable. An apartment block may contain no more than seven suites, no suite being larger than 1,000 sq. ft., and this area including walls, stairways, halls, etc.

The new size standard is seen by builders as an effective answer to abuses that are said to have become common; the story given The Post is that many builders had erected $7,000 or $8,000 houses under $5,000 licenses, thus consuming enough material for two small houses. Now these opportunists will have to adhere to approved size because, it is said, bulk and measurement are things that can be more readily controlled—and will be—by municipal building inspectors. There is no policing under Construction Control.

No Unjust Prohibition

No construction already in hand under the old standard is being stopped, The Post is informed.

Builders in some cities have objected that the bungalow standard of 900 sq. ft. maximum limits space unduly and is not feasible, it is learned. At Victoria, B.C., a committee is reported to have sent a resolution to the Construction Controller at Ottawa asking for that area at least, revocation or increase in the limit to 1,200 sq. ft., irrespective of the type of house. Builders and realtors at Verdun (Montreal) asked increase to 1,125 sq. ft., asserting that the 900 sq. ft. limit made erection of a house with more than four rooms impossible.

But most of the builders contacted by The Post haven't yet had applications rejected by the Controller of Construction since Mr. Howe's statement. They do not believe applications will be turned down willy-nilly except for building at centres where there has been a clearly established sufficiency of accommodation.

The licenses, however, carry no assurance of availability of materials.

Supply Picture Dark

Although defense construction has slowed to a bare walk, basic building materials and the men to handle them on the job are scarcer than ever, builders tell The Post.

Expected late wartime replenishment of stocks has not materialized. Vast quantities of lumber, sheet materials, masonry units, plumbing, heating and electrical equipment absorbed by Canada's billion-dollar defense construction program, are not being replaced because the labor that produced them has been drawn upon heavily by the man-famished industrial machine.

While construction field forces are not as readily absorbed by war industry because of age, specialized skill and other considerations, there has been a considerable movement out of the building trades into indoor and year-round employment, it is said.

Seek Experienced Advice On Making Your Will

Some men delay making a Will because they do not know how to go about it. Others make a hurried and ill designed Will, naming a member of the family, or Tom, Dick or Harry, as executor.

If you have not yet made a Will, or are dissatisfied with your present one, let us advise you. Our knowledge of financial and estate matters and our executorship experience can help you plan a sound Will, designed for effective protection of your dependents and beneficiaries.

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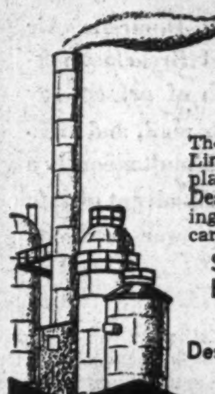

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STORAGE TANKS - PRESSURE TANKS
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NEW TAX PROBLEMS REQUIRE EXPERT KNOWLEDGE THAT FEW INDIVIDUALS POSSESS. EVEN ROUTINE STEPS ARE COMPLETED MORE EFFICIENTLY BY MEN ACCUSTOMED TO THEM. *YOUR ESTATE* DESERVES THE CARE OF A CAPABLE AND EXPERIENCED EXECUTOR TO COPE WITH THE NEWER TAX REGULATIONS. ASK US ABOUT OUR SERVICES.

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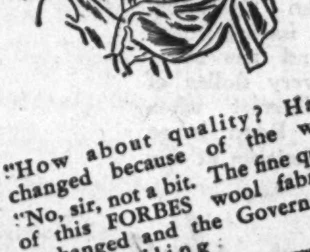
To determine colour fastness, samples of the fabrics are exposed to ultra violet lamps and to months of sunlight. To gauge strength, they are subjected to severe strain in strength-measuring machines. To assess "tailorability", capacity to hold shape and "press", they are made up into test suits.

At every one of the fifty-four steps by which wool is transformed into FORBES fabrics, there is rigid control, another reason why FORBES fabrics have helped to make Canadians, in peace and war, the best dressed people in the world!



"How about quality? Has it changed because of the war?" "No, sir, not a bit. The fine quality of this FORBES wool fabric is unchanged and the Government's price ceiling guarantees that you pay no more for it than you did in 1941".

FORBES ESTABLISHED 1864 Wool Fabrics

Made by DOMINION WOOLLENS & WORSTEDS LIMITED

Domestic Air Transport

Changes On The Airways

Vast Volume of Business Seen Taking to the Air

Highlights in the glowing future of aviation painted by Ernest W. Williams, Jr., in a National Planning Association booklet entitled "Outlook for Domestic Air Transport," include extensive growth of first-class passenger business, thereby diverting much of present-day rail business, transport of most first-class mail, and creation of a considerable air express traffic. Simultaneously a spurt in private flying is predicted through advent of safe low-cost planes, thus inviting much prewar inter-city automobile traffic to take to the air.

The future of aviation is brilliant. So asserts Ernest W. Williams, Jr., in a National Planning Association booklet entitled The Outlook for Domestic Air Transport.

He summarizes his views in these words:

"Though air transport is essentially complementary to surface transport and will not greatly damage the latter, it is due for a great and rapid expansion. Growth of first-class passenger business, including diversion of most of that which railroads now handle, transport of most first-class mail, and the building of a very substantial air express traffic possibly exceeding present railway express volume, are all in prospect. Over the seas, the day of huge luxury steamships seems limited, for aircraft will more and more handle the mails, the passengers, and the cargo of extraordinary value. Tourist and cruise traffic will undoubtedly continue to patronize medium and smaller ocean liners in considerable volume, and the great, bulk of freight traffic will be untouched. More important, new business will be created in large volume by the saving in time on the long overseas hops. Private flying is due for enormous expansion with the advent of fool-proof low-cost planes, and much inter-city automobile traffic may eventually shift to the air. All these prospects constitute a challenge to aircraft manufacturers, air transport companies, and to the nation to provide the facilities to make them possible and the policies to turn them to the most useful end."

Surface Transport

Most important field for growth in air traffic is in the passenger side, where the commodity has an extraordinarily high value per pound and per hour. During the ten years to the end of 1940 revenue passenger miles on U. S. domestic airlines increased from less than 1% to approximately 12% of Pullman passenger miles. Bulk of this service was concentrated on the relatively short haul eastern routes, as passengers travelled an average of less than 300 miles.

Probable improvements in the safety record eventually to place airlines on a par with commercial surface transportation, just as they are already on a par with private automobile safety records, should be an important factor. Present fares average about 50% above first class railroad fares and Pullman charges. But the small likelihood in normal times of securing load factors much beyond 60% makes necessary more efficient operation and use of larger planes.

As traffic volume grows, more of the larger transports with a high load factor will be assigned to non-stop operation between major airports, and smaller feeder craft used between these main stops.

International Prospects

Prospects for increased traffic in the international field are even greater, claims Mr. Williams. Large aircraft will be able to operate from important population centres of the United States direct with foreign capitals and commercial cities. Time will be saved; interest and carrying charges and transfer cost on perishable and urgent freight items or those of exceptional value will be reduced.

National policy adopted will largely determine the extent to which mail traffic will develop in the future. Before the war, major European countries were transmitting first class mail without surcharge by airlines whenever time could be saved. Should the U. S. adopt such a policy and move perhaps 75% of present first class mail by air, an airways establishment utilizing 700 or more large planes would be necessary to handle the business.

Estimates suggest this transfer of first class letter mail to the airways could be made without additional cost to the post office and with comparatively little effect upon railroad and steamship revenues, since these agencies would continue to handle the second, third and fourth class matter which comprise the greater volume.

Mr. Williams argues that wise national policy will probably shift first class mail to the airlines at the present postal rate, abolishing the surcharge on airmail except for special delivery. Expanded volume will permit specialization on aircraft designed entirely for mail service with consequent reduced costs of handling.

Aerial post offices will be developed to sort and prepare mail in transit.

Terminal handling will be eased by design of equipment with large doors for ready discharge into ground equipment.

Cost vs. Speed

Air cargo potentialities are more difficult to assess, Mr. Williams feels. Here cost outweighs speed as a factor determining freight movements with the exception of valuable or urgent shipments such as now move by air express. Peacetime experience showed U. S. air express traffic in 1939 three times that of 1935. It was growing rapidly in spite of extremely high rates, an average approximating 80c. per ton-mile as against some 15c. for railroad express.

Compared with total airline traffic, however, express business grew only a little more rapidly, representing but 3.7% of the business in 1939 as compared with 3% in 1935. A high rate level and failure of air express rates per ton-mile to decline in longer hauls over 500 miles was regarded as seriously restricting use of airlines by cargo traffic.

Because of its relatively high costs, however, air cargo transportation in the near future will probably not be able to make any impression upon the freight traffic of surface carriers. To attract even some of the high class less-than-carload and perishable business, it would be necessary to get rates down to 5c. or less for pound-mile for complete service from the producer's door to the consumer's door.

High Class Trade

Heavy collection and delivery expense make this impractical even though airport-to-airport costs were greatly reduced and overhead could be spread over a large volume of business. It appears, therefore, that the immediate future of air cargo is in the high class trade which can afford to pay relatively heavy charges. But even this will create a tremendous increase in volume and stimulate a rapid growth of cargo service.

It must be recognized, Mr. Williams says, that volume of passenger and express business suggested here can only be developed as a result of marked progress in service and equipment and assiduous cultivation through advertising and other methods. A suitable rate structure must be devised to induce a flow of business at levels which will produce a satisfactory return upon the carrier's investment. Air freight developments, because of intense competition of surface agencies, will be more difficult to build up and predictions of volume are impossible at this time.

Use Combat Craft

Mr. Williams anticipates that the immediate postwar years will be a time when air service will be growing, but in somewhat makeshift fashion. Existing craft, chiefly military transports rather than converted combat craft, will probably be employed temporarily to care for increasing business. After this short period, however, new and improved transports will be in production, including designs to meet the special requirements of air cargo, feeder lines, and other differentiated services. Craft of large carrying capacity will probably be introduced on overseas routes and longer domestic lines while smaller craft service the shorter runs, where frequency of service is more important.

Suggests Plan To Handle Postwar Surplus Goods

To maintain order and stability in postwar domestic markets, surplus stocks and salvage material in government possession should be sold close to the source, i.e. to manufacturers generally in the classification concerned, suggests J. A. Clifton, manager, Renown Plumbing Supplies Ltd., Toronto, in an article in Sanitary Engineer.

Slow rate of delivery and utilization of normal business channels are chief features of his proposal.

This material, Mr. Clifton says, should only be sold on the basis of a carefully calculated ratio; he suggests it be fed into the competitive market at a rate of 10% of salvage and surplus stock to 90% of new. The goods, he suggests, should be held by the Government and sold and delivered as required by the manufacturer to be reconditioned by the latter and distributed through regular outlets.

Under such an arrangement the prime producer, the writer believes, would be assured orders for 90% of the manufacturers' requirements until all surplus material had been disposed of. Mr. Clifton warned against sacrifice sales to, or close to, the consumer, saying that in the metals industries, for example, harm would befall the interests of miner, manufacturer, wholesaler and retailer.

Asserting that the manner of disposal of salvage and surplus materials would play an influential part for stability or crisis in the postwar domestic economy, and would bear strongly on the re-employment question, the writer asked industry to advocate to the government a policy under which "these stocks will enter the goods stream with minimum effect on the conduct of business."

Interest in the Government's undeclared intentions with regard to postwar salvage disposal has grown livelier from month to month since announcement early this year that a group of durable goods manufacturers—the Heavy Industries Federation for Postwar Reconstruction—was planning to undertake salvage quantity surveys as a basis for recommendations to Ottawa.

TCA Separates Atlantic Line

Canada To Have Delegate at Postwar Flying Conference, Says Howe

From Our Own Correspondent

MONTREAL.—Canada will have its own representative at the conference of the United States to discuss postwar flying, according to a statement issued by Hon. C. D. Howe, following the meeting of Empire representatives at which general principles were laid down.

Any regular transatlantic service by Trans-Canada Air Lines, he said, would be divorced from TCA's internal service. A separate company would be formed "if only to keep accounts straight."

The Miinster said he expected a year or two after the war to lapse before satisfactory planes would be available. Bombers could not be converted into satisfactory transport planes, he added.

Speaking of possible flying conditions in the North Atlantic service, Mr. Howe remarked that if a plane can fly at 25,000 ft. "there is nothing to worry about storms."

Experience had shown, he said, that transatlantic flying could be maintained 12 months of the year, and a plane must be developed which can fly comfortably at high altitudes.

Review of B. Greening Wire Co. report in The Financial Post last week failed to take account of the refundable portion of the company's excess profits taxes. This amount, not immediately available for dividends, amounts to $62,000 and was included in the net profit of 99c. a share. Deducting this deferred asset, net profits amounted to 67c. a share, or $126,668, compared with 96c. a share or $181,685 the previous year.

New Brunswick Revises Wage Rates For Woods

Wage rates for woods operations in New Brunswick have been revised upward, according to a ruling handed down by the Regional War Labor Board.

The board has established a minimum basic rate of $47 a month, with a minimum average rate of $52 a month. The maximum lawful rate has been set at $3 a day, or $78 for a 26-day working month. In addition each employer is required to pay a cost-of-living bonus of 10 cents a day for all adult workers, or $2.60 a month.

Suitable board and lodging, the Board rules, must be provided for employees, except where it is agreed between employer and employee that the employee should furnish his own board and lodgings, in which event the basic daily rate of wages is to be increased by 60 cents.

U. S. Newsprint Exports Set at 30,974 Tons

United States will export an estimated 30,974 tons of newsprint paper this year, according to data submitted to the Boren Committee, set up by Congress, to investigate the newsprint situation. This figure is lower than that for the average year between 1940 and 1942, but almost triple the 1937-1939 average.

During the first half of 1943, total exports were 17,946 tons, of which 1,805 tons were for lend-lease. The balance were exports by private shippers.

Bell Telephone Co. of Canada reports that it has issued 581 shares of capital stock under terms of its employee—stock purchase plan, making the total outstanding 849,816.

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LET'S STOP THIS WISHFUL THINKING

An injunction to Business Executives

There has been a deluge of nonsense that has led some people to believe that the war is all but won.

This baleful propaganda (probably inspired by the enemy) has caused some people to imagine that they can now relax and take things easy.

That's just what the enemy hopes for.

The truth is that on the "home front" as well as on the field, the war has reached its crucial stage. The most bitter fighting and severe trials are ahead. We and our Allies are now in the "Fortress Europe" and must fight hard to stay there. We dare not stop short of Berlin and the enforcement of "unconditional surrender".

And we on the "home front" must work even harder and be as resolute and determined in buying more and more Victory Bonds, as we expect our men to be in fighting.

As a leading business man, please counteract wishful thinking whenever and wherever you hear it. Increase your personal and business orders for Victory Bonds; and above all inspire all your employees to do the same. Give inspiration and leadership to the Payroll Savings Plan now operating in your organization.

Canada's Fifth Victory Loan must be the biggest success of all our war financing operations and you are relied upon to do your part in assuring this success.

WHAT IS A VICTORY BOND?

A VICTORY BOND is the promise of the Dominion of Canada to repay in cash the face value of the Bond on the date of maturity with half-yearly interest until that time. A Victory Bond is the safest investment in Canada backed by the entire resources of the Dominion. Canada has been issuing bonds for 75 years, and has never failed to pay every dollar of principal and interest when due. A Victory Bond is an asset readily marketable at any time.

HOW TO BUY

Give your order to the Victory Loan salesman who calls on you or place it with any branch bank or trust company. You can also buy Bonds through your employer for cash or on the Payroll Savings Plan. Or send your order to your local Victory Loan Headquarters. Any one of these agencies will be glad to give you every assistance in completing your application. Bonds may be bought in denominations of $50, $100, $500, $1,000 and larger.

Speed the Victory
BUY VICTORY BONDS
National War Finance Committee
5-38

How Much Oil at Norman?

(Continued from page 13)

engineers here work out their own pronouncements for the Anglicized versions of Russian words for sliding forests, the ice cap and so on.

Flash floods are one of the major problems. And these are a kind of glacial mountain flood the eastern Canadian finds it hard to credit.

Flash floods are what happens when a combination of climatic conditions result in a babbling creek, a few feet across, a few inches deep, becoming within an hour or so a mad torrent perhaps six feet deep and a hundred feet wide—gouging out hillsides, moving big rocks, drastically altering the character and appearance of a river valley. Flash floods may be a problem for the pipeline builders. They have had geologists read high water marks on the canyon sides. They have studied the meager weather reports. They have measured with tapeline and transit stream beds and flood banks.

One Sunday recently, the sun blazing, the air sharp, I rode an open Army truck the 48 miles to the summit of the first range of mountains the pipeline crosses.

The first 20 miles from camp, we travelled good road, most of it four to six feet above the ditches in which was melting the eternal ice. Then we got to the Carcajou river—Indian for Wolverine—a shallow placid stream, crystal clear, ice cold and its bed glacial pebbles.

The Road Disappears

From there our road soon disappeared. We left the muskeg and for the next 20 miles drove up the river valley through a deep and fabulous canyon.

Scores, hundreds of trucks had travelled the way before. Usually a sharp eye could have followed the track. The rest of the time, keeping the right front mudguard close to foot-high stone cairns could keep you on the track.

For here, trucks and river share the river's bed. Now the river rushes by them on the right. Then, the truck slows, grinds into low speed and four-wheel drive, jolts down and through the river often with steam pouring out as the cold water swishes around the hot engine. And then the river is on the left. Back and forth, a dozen times, the pipeline road takes the smoothest, easiest path through the river valley cut millions of years ago.

Then the hour long climb in a low gear winding up the side of the mountain to summit—whence road and pipeline plunge down and on and up another mountainside—and so on most of the way to Whitehorse.

Flash floods in the canyon are regarded by some here as one serious menace for the pipeline. Whole stretches of line will be torn out by the rocks tossed around by flash torrents, these gloomy prophets predict.

Whatever the outcome—and only time will tell—the canyon route permitted great speed. But during my visit here the canyon put on one startling performance. Sunday I rode through it and, as told above, the river covered only ten of the canyon's 500 ft. floor and the water was generally less than a foot deep. In trying to come through the canyon next day after a modest rainstorm the two military chieftains of this end of the project were soaked almost to the armpits as they rode in their army truck through the river then swollen into a mighty stream and covering the whole canyon floor.

Inter-Camp Rivalry

There is a lot of rivalry and some bitterness between these two camps. In the Norman Wells camp—many of the workers are Canadians, working on the wage scale set by Ottawa with strict eye for the wage ceiling. Across the way at Canol most of the workers are Americans earning much higher wages, and, many or all of them tax free.

The tax position of the Americans has long been a tangle, bothersome to contractors and workers alike. Workers came in on a nine-month working agreement—but which a great many ignore and break. Early agreements were made on the basis that the contractors didn't think American workers would be subject to Canadian income tax but that the contractors would pay it if they were.

Newer work agreements are on a different basis and nobody up here knows what the outcome is likely to be; why and how the tangle arose to start with.

Here is how some typical hourly wage rates compare for men working on this job. Remember that the Canadian rates would be 10% higher when translated into U. S. dollars.

Hourly:	U.S.	Can.
Common labor	$1.10	$0.75
Drivers:		
Light truck	1.40	0.95
Heavy truck	1.55	1.05
Shovel operators	2.00	1.35
Cat operator	1.65	1.25

But the Norman Wells group gripe at the Canol camp mainly because the oil field opened up fast and successfully. The oil field is all set to go. It is waiting for the pipeline and roadbuilders to finish their job. Because the oil men are ahead, they claim the others get all the favors, the fast deliveries in equipment, the good equipment, the official pampering.

Out of four tractors recently sent to the oilmen, the oil men finally made one, stripping the others for parts.

When will the pipeline be completed? It's supposed to be finished by the end of this year. Whether it will be is a matter on which people in these two camps are doubtful. Censorship prevents reporting progress to date. But the line coming out from Whitehorse is about twice as far advanced as the line going out from here, the reason of course being that the supply line from Whitehorse is so very much easier to feed.

Meanwhile, the Norman oil field continues to grow and more and more ground that looks promising is lined up for drilling.

Will C.C.F.-Bloc Pop. Mix?

(Continued from page 13)

Cardin a good job at the far end of the Alaska Highway right now.

When it comes to the federal field, stakes are higher, and threat of a CCF-Bloc political alliance greater. Most people assume the party of Major James William Coldwell will go farther before it starts to slump. Some predict that it will get a great many seats next federal election, but not enough to have an over-all majority. Moreover, Liberals who ought to know have told me that Quebec will send 50 Bloc members to Ottawa next time. Now, assuming the Quebec Liberal's pessimism is well founded, and that Coldwell's optimism is equally well based, this might easily mean that between the CCF and the Bloc, they would control 123 seats, which is all they need for a majority over all.

The next question is, will they mix? Can a Coldwell-Raymond coalition be visualized? As it turns out, the Bloc can, and as some see it, Coldwell can likewise.

Reverting to our Bloc Populaire authority, who "lives and writes and thinks Bloc" all the time, we hear him say:

"Yes, I can see where the C.C.F. and ourselves can get together. You see, they are a social movement like ourselves. We are for social reform."

"But you are Catholic, and want to go to the Right?"

"That's true."

"And they want to go to the Left, while you go to the Right, and yet you get together. How?"

"Not as difficult as it seems. They are for social reform. They want a better deal for the common man. So do we. The only difference is that we are loyal, devout Catholics. But we can still have social reform and be good Catholics. We can go to the Left and still stay on the Right, paradoxical though it may sound and still stay together."

It is the opinion of the Bloc that they can evolve a working formula, and somehow make a go of it politically. This is not without precedent, for it is a curious thing that, politically, opposites attract. Certainly the imperialist Tory, Sir Robert Borden, did not hesitate to woo the Bourassa nationalists in 1911 and, though there was less of a difference to patch up, King was able to win over most of the Progressives who had won seats campaigning against him, back in the 1920's. In other words you find two different parties with two different leaders. Although these two groups seem poles apart, their views appear to be no farther removed than those of Tweedledum and Tweedledee when they sniff power.

Therefore, even if the CCF does protest—and no one is saying it is or it isn't—that it can't do business with the Bloc, chances are that if the time comes, they'll get together all right.

Reason For CCF Isolationism

The CCF up till now has refused to work with anybody, if you discount its lukewarm support of John Bracken in Manitoba when he was Premier. They have always wanted to play a lone hand. It is to be noted, however, that the reason for this political isolation was that there has been no party up till now that they could, with any conscience, join. Their whole campaign has been to criticize the old parties, and claim they were as like as two peas.

But if it were to turn out that the Bloc Populaire and the CCF could see eye to eye, and if they need each other to make a go of it, how much would you bet that they wouldn't get together. For the Bloc is no old party; it is new. In its own way, it is a protest against the status quo as implied by Liberals and Progressive Conservatives. Most important of all, both the Bloc and the CCF are for social reform. The fact that they come from different places and hope to go to different destinations does not prevent them from getting on the same political streetcar together and riding till each comes to his stop, or till some other party steals their trolley.

Those who have been around here a long time can see these two parties, if they ever get to Parliament Hill in sufficient numbers to go places, joining forces and forming a government. True, you may never see that. Again, it may be a long way off. But there are those who think it could happen sooner than you think.

Thus the situation is that the Liberals are still in the dog house in Quebec. As word filters out of what actually transpired at the Liberal love feast held in Ottawa recently, one learns that the battle got so bitter at one time that Premier King had to intervene personally.

One of the old party wheel horses from Quebec got up and said that as far as the Mackenzie King Liberals were concerned, they had done two things the Quebecois didn't like. In the first place, they had invoked conscription. There was no use the Liberals denying this, because in Quebec, conscription means taking a man away from his home, and putting him in uniform. It didn't matter if they only moved him from his own parish of Saint A to the neighboring parish of Saint B. He still was conscripted as far as Quebec was concerned.

Then the Quebeckers who are now paying income tax for the first time don't like it, and they won't like the government that makes them pay it till the government stops making them pay it.

Since the King Administration plans on taking draftees, and since it also plans to keep on collecting income tax in Quebec, it is indeed a dismal political panorama the Liberals are now viewing.

My information on the Bracken movement is that despite high hopes and honest aspiration, the Progressive Conservatives have decided to by-pass Quebec. True, they will make an effort but they feel they will be ground between the mandibular of the Bloc Populaire and the maxiliary of the Liberals, and they don't want any part of that chewing up process. They figure they may pick off a few seats here and there, but have no earthly hope of getting anything like what Bennett got when he picked off 27 back in 1930.

As to the Bloc, they are still riding high. When one man said, "Why your leader, Maxime Raymond, is a sick man," the Blocist retorted: "Yes, but our policies aren't sick!"

No clinical report of leader Raymond's condition is going to make any change in the present crusading zeal of the Bloc.

Newsprint Use Again Declines

From Our Own Correspondent

MONTREAL. — Apparent newsprint consumption in the United States last month totalled 229,755 tons, according to returns compiled by the Newsprint Association of Canada. This contrasted with 311,832 tons a year ago, a decline of 3.9%.

Reduction reported for last month compared with 2.7% in August, prior to which small gains had been shown for two months. For the first nine months of the year the decrease from 1942 was 1.2%.

Apparent total stocks of all U. S. consumers decreased 25,443 tons during September and amounted to 513,343 tons at end of month. Corresponding stocks at the end of Sept., 1942 and 1941, were 688,308 and 492,743 tons, respectively.

Shipments from Canada during the first nine months of this year represented 73% of total U. S. supply, compared with 71% for the same period a year ago.

Newsprint Output Is Down 16.4%

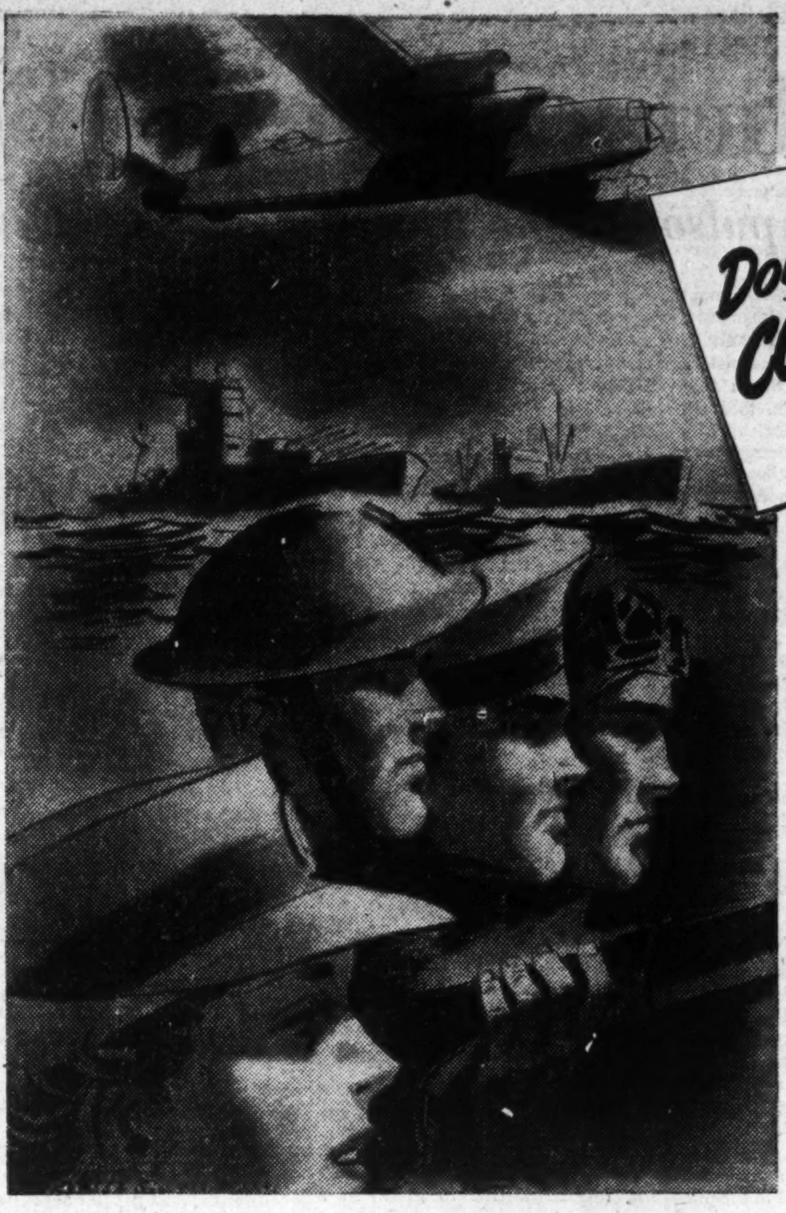
Canadian newsprint mills produced 251,827 tons in September, or about 6,000 tons less than a year ago. Shipments amounted to 244,593 tons or 16.4% lower than a year ago.

Exports to the United States decreased 21.7%, while shipments to Canada and overseas increased 1.2% and 57.6% respectively from the levels of Sept., 1942. Shipments represented 68.7% of 1942 capacity compared with 70.4% in August and 82.1% in September last year.

Newfoundland mills turned out 22,606 tons last month, or about the same as last year, and shipped 26,462 tons. The latter shows a small decline from Aug., 1943, and Sept., 1942.

Operations at American mills continued lower, production totalling 64,328 tons, or 13,600 tons under Sept., 1942. Shipments of 63,315 tons were 20,000 tons less than a year ago.

CITRALAM MALARTIC MINES—By agreement Sept. 11, optioned to Robert Hughes 2,666,662 shares—300,000 shares each at 5c. and 10c. a share with balance at prices from 15c. to 65s. a share, payable $1,000 a month for 12 months, $5,000 a month for the next 12 months, and balance at $10,000 monthly. Company incorporated Sept., 1943 (Ont.), authorized capital 4,000,000 shares, $1 par; issued 1,333,338.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Life Insurance

Policies Have to Be Sold

Compulsory Kind Give Minimum Protection Only

Despite continued development of compulsory or social insurance, voluntary life insurance is likely to continue, W. M. Anderson, assistant general manager of the North American Life Assurance Co. told the agency section of the American Life Convention at Chicago. Compulsory or social insurance, he declared, cannot effectively provide more than a simple minimum level of protection.

Compulsory insurance in its operations must follow a formula, and it seems inconceivable that any formula could be evolved to fit the varying needs of every individual. As an example he took the Government's war financing where taxation by formula can only be lifted to certain practical limits. Beyond this, dependence must be placed on voluntary borrowing from the people. The higher the taxation carried, the more complicated must be its rates, exemptions, deductions and offsets to preserve its effectiveness in regard to various taxpayers, he stated.

Don't Recognize Need

Because people fail to recognize their life insurance needs or underestimate their magnitude, Mr. Anderson believes it necessary to sell life insurance rather than merely allow it to be bought. In addition, he declared, buyer inertia must be overcome. Products of intrinsic merit which have won widest acceptance in modern life are the ones that have been best sold to the public. This, he stated, is true as regards inherently attractive goods, such as automobiles and radio, and much more so in respect to life insurance. As an example of the need of selling he noted the Canadian Government annuities system where in spite of the attractiveness of the contracts, sales remained at a very low level, until salesmen were employed. Sales then expanded rapidly despite substantial reduction in the minimum annuity offered.

Not a Commodity

Life insurance, Mr. Anderson stated, is not a commodity nor is it standardized: in many cases it must be custom built to fit the purchaser's individual needs. Moreover, it is a long-term arrangement. For this reason he feels human contact between buyer and company are necessary. He continued:

"This contact man must primarily be a salesman—one who is able to make the individual realize his needs for life insurance protection, recommend the best ways of using life insurance to fit the circumstances of the individual, and one who is able to overcome successfully buyer inertia.

"However, the agent's function is not purely one of selling. . . . Distinct from selling as such there is the inculcation of the premium paying habit . . . and a wide range of service activities of the types which can be best handled by personal contact and consultation with the policyholder, and which may occur at any time during the existence of the life insurance contract. By embracing these activities, in addition to that of pure selling, the agent has become a life insurance underwriter rather than solely a salesman."

Life insurance, Mr. Anderson stated, has reached its present stature on a voluntary basis wherein the individual purchaser within the limit of his means voluntarily elects to protect himself against certain hazards with which he, as a free individual in a democratic community, is necessarily faced: the hazards of premature death, of lengthy old age, temporary financial emergency and loss of savings through unfortunate investments.

67 Million Insured

He estimates that some 67 million free people in America are today protected by about $133 billions of life insurance in which they invested through the guidance of thousands of other free men and women who constitute the agency forces of free American enterprise under the voluntary system of private insurance.

In developing a compensation plan for agents, Mr. Anderson stressed that attention must be given not only to the basic responsibilities of the company to the agent as an individual, but also to the peculiarities of the agent's job and the desirability of using the compensation plan as an aid to more efficient operation. Low cost to the policyholders, he said, is not a test of a company's efficiency if, at the same time, it has failed in its responsibility to provide just compensation to the agent based upon his work and the value of the results he has achieved for policyholders and company.

Fire Insurance

Making Our Cities Fireproof

Wise Planning Cuts Costs, Makes Municipality Safe

With planning for the postwar era much in the public mind, fire prevention officials are drawing attention to the need of planning municipalities so they will as far as possible be fireproof.

Lax building regulations allowing municipalities to grow in a haphazard way will, over a term of years, prove a real burden to the taxpayers. Items contributing to the unfortunate conditions are: increased cost of fire protection, higher fire losses, higher fire insurance costs. Hidden factors, which add to the final price, include increased cost of public utilities and difficulty in attracting capital investment in industry and homes within the boundaries of the municipality.

The effect of these factors is not felt in any one year fully, but is cumulative, as long as the conditions which encourage them continue. Properly constructed dwellings and planned development, on the other hand, tend toward uniformity and logical arrangement of the various types of buildings. Under these conditions, buildings of the same general type are found in the same area. This helps to minimize the injustices sometimes suffered by owners of well-constructed habitations exposed to the greater hazards of fire from poorly executed buildings.

In Poorly Planned Areas

In addition to the greater danger of fire, property-owners in poorly planned areas are likely to pay more in fire insurance costs. This makes a municipality less attractive to industries seeking locations. In some municipalities it is noticeable that the maximum fire protection is required for the least desirable properties. These less desirable properties as a rule do not contribute taxes proportionate to their need of fire prevention or fire fighting equipment.

Building plans should not be thought of merely as a set of designs and specifications to ensure strength and stability under load. These are, of course essential, but means of preventing and fighting fire have also to be taken into account. Things to be considered in such matters are the prevention of fire, localization of fire, resistance to disintegration and collapse from fire, exposure to fire hazards and the type of occupancy.

In so far as it is related to fire prevention and fire protection, town planning, however, includes not only specifications for building and location of individual structures but for the development of the town as a whole.

There must be a proper grouping of buildings according to size and occupancy, and proper segregation and spacing of them according to their hazards and uses. Accessibility to fire fighting facilities and equipment is likewise a big factor to be considered.

Volume of Water Required

An important point to be considered is the facility for estimating the amount of water required for fire protection purposes. In any municipality one of the first considerations is to estimate how much water will be required. Such an estimate must be practical. If an area has different types of building and occupancy, adequate protection has to be provided for the greatest fire hazard. Consequence of this is that there is a certain amount of waste as far as the less hazardous buildings are concerned.

In residential areas where buildings usually have a certain amount of space between them and are not high, it is considered by authorities that two streams of water, about 250 gallons per minute each suffice. If buildings are more congested, making it easier for a fire to spread, provision must be made for a greater water supply. The same prevails when the type of building changes, for instance, if there are hotels, apartment houses and mercantile buildings. In some city areas in the larger cities, it is estimated, as much as 12,000 gallons of water a minute should be available, with additional reserves to be drawn on should another fire develop.

Direct Influence

Accordingly, distribution and segregation of various types of building has a direct influence on the design and capacity of a waterworks system.

In all fire prevention activities there are three stages to be considered:

To prevent a fire starting.

To prevent its spreading within the building or premises.

To prevent its reaching to another building.

The start of a fire may be due to some fault of the building or the occupants. The municipality can exercise some control over materials used, type of heating and lighting apparatus, and kind of materials to be stored therein.

Spread of Fire

Spread of a fire within a building depends on the type of goods stored there, as well as on the building itself. Accordingly, design and construction of a building must be consistent with the purposes for which it is intended to be used.

Methods of preventing the spread of fire either horizontally or vertically include use of fire doors and fire stopping in the walls, when possible. Properly subdivided non-combustible construction is desirable or, at least, use of slow burning material that is not apt to buckle, warp or disintegrate from heat. Proper fire fighting equipment is a valuable aid but will not obviate the need of proper construction in fire prevention.

Prevention of the spread of fire from one building to another to some extent resembles the spread of fire within a building. Factors to be considered include the spacing of buildings, material in exterior walls and roof construction. In regulating the use of various materials municipal authorities can play an important part.

Risk Spreading Claimed Essence of Insurance

The essence of insurance is the widest possible spreading of the risk, says J. Dyer Simpson in a booklet recently published in the United Kingdom. Mr. Simpson is one of the general managers of the Royal-Liverpool group of insurance companies.

The booklet was published to make the British composite companies and their operations better known to the public. By composite companies is meant the proprietory or stock companies writing various classes of insurance, except industrial life insurance and social insurance.

The composite companies often operate in groups consisting of one parent company and one or more subsidiaries. British companies he explains have given practical expression to spreading the risk in a wide exchange of reinsurance with national companies throughout the world. He continues:

> "It is a safe assumption that hardly any catastrophe can occur in normal times without some share of any insurance claim being borne by the British market and conversely a substantial fire in this country, (the United Kingdom), might find some echo in the reinsurance accounts from Chungking to Buenos Aires."

Mr. Simpson explains in the booklet the organization of the British companies and how they work.

Newfoundland Living Cost Up 49.2% Since Oct., '38

Since outbreak of hostilities there has been a steady increase in the cost of living in Newfoundland, according to R. P. Bower, acting Canadian trade commissioner at St. John's. Accurate indices, he says, are not available, but a rough estimate is obtainable from figures published monthly. From the basic figure 100 for Oct. 1, 1938, the index had risen to 104.4 in 1939, by Dec., 1941 it had reached 131.6, and continued to rise steadily until a peak figure of 150.2 was reached in Dec., 1942. On Aug. 3, 1943, it stood at 149.2.

Three main factors operated to cause these conditions:

(1) Increases in commodity prices in countries of supply (Newfoundland imports by far the larger proportion of its food requirements); (2) Increased freight, insurance and handling charges; (3) Increased spending and purchasing power consequent upon war conditions, especially high wage earnings by personnel engaged on base construction operations conducted by Canada and the United States.

Newfoundland Surplus Down

September figures of revenue and expenditure for Newfoundland show a continuation of the decline in revenues over 1942 and expenditure again heavier than last year.

Surplus for the first six months of the fiscal year, to Sept. 30, was $3.8 millions compared with $5.9 millions in the same period in 1942. Revenues for the year to date are lower and expenditures higher as shown by the table below. Revenues were bolstered in the face of declining customs receipts by a considerable increase in assessor revenues.

Revenue and Expenditure

	September 1943	September 1942	April-Sept. 1943	April-Sept. 1942
	($000,000)			
Revenue:				
Customs	1.3	2.2	6.7	10.2
Other	0.9	0.5	7.5	4.7
	2.2	2.7	14.2	14.9
Expenditure:				
General	1.7	1.1	8.0	6.7
Debt charges	..	..	2.4	2.3
	1.7	1.1	10.4	9.0
Surplus	0.5	1.6	3.8	5.9

Ontario Agents Elect Officers

At the annual meeting of the Ontario Fire & Casualty Insurance Agents' Association, in Toronto recently, president and territorial vice-presidents were elected as follows:

FRANK D. BLISS, Hamilton, president. **J. E. MARSH**, Belleville, No. 1 territory; **W. H. SHAVER**, Midland No. 2; **O. T. GRAVES**, St. Catharines, No. 3; **A. E. THOMPSON**, Windsor, No. 4; **JOHN KENNEDY**, North Bay, No. 5, and **E. J. B. DOBIE**, Port Arthur, No. 6, vice presidents.

North America Insur. Has New U. & O. Forms

Insurance companies of the North America group are introducing new reporting forms in connection with their Use and Occupancy and Profits insurance contracts. While these policies are written for an estimated amount of earnings, they will always cover a full 100% of the actual loss sustained. An adjustment clause in the contracts provides that the premium is adjusted on the basis of actual values reported for the policy term. Under existing conditions, with earnings fluctuating widely, it is difficult for insurance companies to estimate properly what insurance should be carried. The new reporting forms facilitate an adequate amount of insurance being kept in force at all times.

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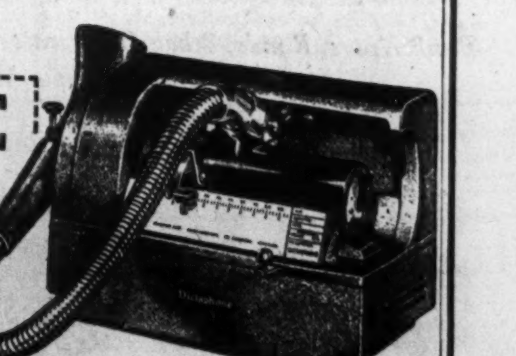

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Banking

Loans To Provinces Are Down

Lower Borrowing in War Years Helps Dominion's Effort

Improved financial position of the Canadian provinces is indicated by their borrowings from the chartered banks, which show a fairly steady decline since the war began. At the end of August, latest month for which figures are available, at $5.1 millions, they were down slightly from the previous month, though higher than last year. They were, however, less than 33% of that of August, 1939.

Larger Revenue

Main reason for the improvement seems to be the provincial revenues increased due to war conditions, while expenditures although going up, have not risen nearly so quickly. Increases in revenue have been due mainly, though indirectly, to better tax collections, people being able to meet their levies more promptly. A large part of these revenues, while derived from income and other taxes, now comes by way of a subsidy from the Dominion Government under the arrangement by which the Dominion took over income and other direct taxes formerly levied by the provinces.

An example of the extent to which provincial revenues are now derived through Dominion Government sources is seen in the estimate of Hon. A. St. Clair Gordon, provincial treasurer in the Hepburn Government in Ontario last March that in the fiscal year 1943-44 about $75 millions of the total net revenue of the province of $102.1 millions would be guaranteed by Ottawa.

Expenditures Up Less

While expenditures as well as revenues have increased, their expansion has not been as great. Road building and new public works have been held to a minimum

Part of the increase, however, has been in agricultural subsidies to encourage cheese and hog production. With income showing a margin over outgo, most provinces have been able to show surpluses for their fiscal year and to retire at least part of their funded indebtedness as bond issues came due. In other cases outstanding issues have been refunded at substantially lower interest rates and thus interest charges saved. Thus refunding of an issue of $10 million 20-year 6% bonds issued in 1923 partly at an interest rate of 1¾% and partly at 3% is expected to save Ontario approximately 51,000 each day.

Relief charges in recent years have shrunk to almost negligible proportions. On the other hand, postwar preparations may tend to increase expenditures.

Helps Fight Inflation

Action of the provinces in controlling expenditures has been helpful in the Dominion's fight against inflation, it is claimed. At the beginning of the war practically every province in Canada announced its intention to cut down expenditures wherever possible as a contribution to the war effort. Their action included reductions in number of people in the provincial civil service. Usual practice was not to replace men and women as they enlisted in the armed services. Highway and public works were also curtailed.

Two Favorable Features

As the provinces work into a stronger financial position now it will be easier for them to borrow after the war, The Financial Post is informed. The more debts they pay off now the more they will be able to spend afterwards.

Furthermore, accumulation of highway and other work will provide a backlog of employment for demobilized men after the war.

The following table shows the total borrowing by all provinces from the chartered banks in 1939 and the last three years. It will be noted that loans in May have increased over April in recent years. One reason is that in some cases opening of the spring and summer provincial services has caused increased expenditures requiring to be met by bank borrowing. Last year borrowing dropped sharply in July due, it is believed, to the first receipts of Dominion Government subsidies on the new scale. This year this factor does not have the same effect because the subsidies have been in effect over a year now.

Bank Loans to Provincial Governments
(Thousands of Dollars)

	1943	1942	1941	1939
Jan.	4,753	9,124	11,075	21,026
Feb.	4,292	10,485	12,582	21,710
Mar.	4,692	10,265	12,267	22,660
Apr.	4,030	10,399	11,616	22,387
May	6,460	16,360	12,154	21,837
June	6,598	11,839	14,743	18,511
July	5,565	3,716	13,413	13,816
Aug.	5,119	4,248	13,815	16,635
Sept.	....	4,503	10,691	15,530
Oct.	....	4,000	8,392	18,454
Nov.	....	5,474	14,219	16,668
Dec.	....	6,119	15,036	13,709

Health Plans May Fold If Inflation Unchecked

Say First Task to Remove Snags in Economic Machine and Get All Professions to Co-operate in National Health Scheme

Immediate danger facing Canadians on the path to any national plan of social security and health insurance is possibility of runaway inflation, V. R. Smith, general manager of the Confederation Life Association, told the Canadian Public Health Association meeting in Toronto. Possibilities of extensive inflation are greater in this war than in the last, he declared. Even today, he said, we have not yet recovered from the ill effects of inflation in the last conflict.

Paying tribute to the Government's achievements in controlling inflation so far, he urged every citizen to support this effort by paying his taxes cheerfully and promptly, by buying Victory Bonds to the utmost of his ability and, most important of all, curtailing his demands for civilian goods and services to the limit. Should runaway inflation ensue, Mr. Smith sees little immediate prospect of health insurance in Canada.

Most pressing and most important problem requiring solution in the immediate future if Canada is to carry through not only health insurance, but many other plans of postwar reconstruction, he stated, was to re-allocate responsibilities of the Dominion, the provinces and the municipalities and their taxing powers. While this problem might not have to be solved today, he urged that a solution was necessary in the immediate future. He continued:

Must Correct Rigidities

"The economic and political development of Canada within the pattern laid down by the Fathers of Confederation has developed rigidities and maladjustments as time has gone on. They became quite clearly evident in the years following the last war, but subsequent prosperity served to cloak them for a time. It took the stress and strain of the great depression to uncover them in all their nakedness. These problems have been set out in great detail, but with conciseness and clarity, in the wise and able report of the Rowell-Sirois Commission.

"It is not necessary to agree with the recommendations of that distinguished Commission . . . . as other solutions may be equally satisfactory. The point I am making is this —the problems cannot be shelved with safety, if we hope to build a stable and prosperous Canada with a high purpose and noble vision. We cannot have sound public health measures, successful health insurance schemes or any of the much-to-be-desired social security plans as long as we have the present rigidities and maladjustments.

"For instance, what is the sense of eliminating slums, the hotbeds of disease, if our economic procedures and methods of taxation continue to produce them? What good purpose is served by setting up a national plan of public health and health insurance if a province says publicly and submits proof that its share of this plan is beyond its capacity?

"We cannot have that better postwar world as long as we strive to operate within a conception of government and a division of responsibility, determined at a time when we knew not the telephone, the airplane, the radio, the motor, the internal combustion engine and all the discoveries of chemistry, medicine and social welfare. I regard it as an essential condition precedent to the adoption of successful social security measures in Canada that there be a reallocation of the responsibilities of governments — Dominion, provincial and municipal —and their taxing powers."

Status of Medicos

Another problem Mr. Smith saw in connection with establishment of health insurance in Canada was the status of the medical profession. Present proposals are to provide medical care in kind, not cash benefits, he declared, adding that medical services in kind have not yet been provided anywhere on the scale, embodied in the present proposals, and been proved a success. He cited United Kingdom suggestions to nationalize the medical profession or at least the part engaged in general practice. The proposal, later withdrawn, meant that doctors would become part of the civil service and would not engage in private practice. Result would be that brilliant and enterprising minds would seek other channels of service. The same remarks, he declared, applied to dentists and nurses. He urged that development of skill and knowledge in the medical, dental and ancillary professions be continued.

Because there are not enough doctors, nurses and sanitary inspectors, as well as office assistants and other technical staff, it is impossible now and will be until after the war to provide even limited public health services. This gives a breathing spell, he believes, to plan and organize.

Weekly Bank Clearings

	Oct. 14 1943 $	Change year ago %	Oct. 7 1943 $
Halifax	3,015,842	—8.1	4,805,251
Saint John	3,187,700	+38.3	3,285,111
Moncton	1,006,478	+5.0	1,498,647
Sherbrooke	883,725	—14.6	1,194,482
Quebec	6,041,278	+16.0	7,972,422
Montreal	128,995,394	+29.8	188,784,721
Ottawa	96,330,542	+34.7	127,751,400
Kingston	796,068	+16.0	1,078,576
Peterborough	903,384	+22.8	1,245,975
Toronto	104,453,568	+9.7	185,306,794
Hamilton	5,481,750	—6.4	8,264,446
St. Catharines	1,290,635	—5.2	1,829,926
Kitchener	1,119,877	—4.2	1,680,370
Brantford	965,386	+3.9	1,486,966
London	2,767,309	+20.6	3,886,926
Chatham	635,138	—1.5	733,963
Sarnia	693,376	+34.3	1,007,076
Sudbury	1,045,838	—2.8	1,228,207
Windsor	3,698,407	—1.1	6,015,584
Fort William	915,690	+10.8	1,348,975
Winnipeg	56,688,391	+29.6	74,158,816
Brandon	529,300	+8.7	644,006
Regina	7,061,154	+2.0	8,313,552
Moose Jaw	1,069,231	+10.4	1,120,974
Saskatoon	2,003,340	+18.0	2,360,851
Prince Albert	566,641	+9.9	629,303
Edmonton	7,352,618	+34.8	10,252,758
Lethbridge	918,301	+22.8	861,072
Medicine Hat	480,278	—15.7	477,682
N. W'minster	797,823	—17.4	1,013,697
Vancouver	23,981,878	+16.3	41,494,685
Victoria	1,898,535	+9.1	2,448,591
Calgary	9,455,489	+29.9	10,898,731

Staff Changes

The Bank of Montreal announces the following staff changes:

K. A. McL. CORRAN, accountant, Westmount, Que., to be manager, Deep Brook N.S.

T. W. TOD, manager, Timmins, to be manager, Fort William.

G. C. CAMPBELL, manager, North Battleford, to be manager, Timmins.

More Sterling Held By Bank

Miscellaneous Assets of Bank of Canada Also Higher—Circulation Up

An increase of $14 millions in the total assets of the Bank of Canada for the week ended Oct. 13 was due to expansion in holdings of sterling exchange and miscellaneous items such as cheques not yet cleared. Holdings of government bonds were slightly lower.

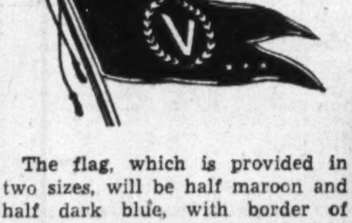
On the liability side, note circulation reached a new high at $828 millions while deposits also were higher.

	Oct. 13 1943 $	Oct. 6 1943 $
Capital paid-up	5,000,000	5,000,000
Notes in circultn.	827,799,881	822,896,602
Rest fund	6,472,953	6,472,953
Deposits: Dom.	69,867,788	74,517,084
Chartered bks.	327,998,205	303,050,671
Other	14,072,215	23,084,429
Total deposits	411,938,208	400,652,183
All other liabs.	16,301,709	18,187,439
Total liabs.	1,267,512,751	1,253,209,177
Assets		
In Sterling & U.S.	48,783,444	44,393,050
Subsid. coin	148,591	187,842
Investments:		
Dom. gov. sh.	812,990,034	816,874,453
Other Dom. gov.	363,006,514	361,109,915
Total invest.	1,175,996,548	1,177,984,368
Premises	2,097,912	2,097,752
All other assets	40,486,256	28,546,165
Total assets	1,267,512,751	1,253,209,177

Victory Loan "V" Flag Calls For High Standard Support

An innovation in the current Victory Loan is a "V" flag to be awarded to Canadian plants whose employees do exceptionally well during the campaign.

This flag is to be given to those establishments where 90% or more of the employees invest 15% or more of the monthly payroll in Victory Bonds or war savings certificates.



The flag, which is provided in two sizes, will be half maroon and half dark blue, with border of white piping around it. On this field will be a golden yellow V surrounded by a laurel wreath in the same color. The larger sized flag is to be made of No. 1 Admiralty Bunting which withstands outdoor conditions.

This move is another step in a direction toward which each Victory Loan has been directed—that of getting more and more of the workers to subscribe. It has a double importance in that it will help them to establish their own personal type of postwar re-establishment reserve where that may be needed and it immobilizes a proportion of the war-expanded spending power.

Although for a different purpose, this flag is probably about as close as Canadian authorities have come to adopting the U. S. "E" flag award, given to plants which do a particularly meritorious job in war production.

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Cotton Industry Gains Moderate

From Our Own Correspondent

MONTREAL.—Canadian cotton mill operations recorded a moderate improvement last month. According to the Cotton Institute of Canada, 35,145 bales of cotton were opened, or about 900 more than during the previous and shorter month.

Compared with September operations in previous years, current activity is the lowest since 1939, when 30,011 bales were opened.

Halifax Seeks Inquiry On Transport Service

Halifax city council has requested the Nova Scotia Board of Public Utilities to investigate "the whole matter of transportation services," now provided by Nova Scotia Light & Power Co.

Mayor J. E. Lloyd is quoted as saying that a "serious breakdown" in the transportation system is possible unless preventive steps are taken now and further that a wide difference of opinion exists between Nova Scotia Light and other circles on sufficiency of present facilities.

The Duties of a Trust Company

Changing conditions created by war and the new forms of taxation have upset the provisions of many wills. Individual executors find it difficult to meet these rapidly changing situations and cannot be expected to administer Estates as efficiently as an experienced trust company specially organized and equipped for the purpose.

An administrator from our Trust Division will be glad to consult with you.

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To All Depositors
of
THE ROYAL BANK OF CANADA

As a patriotic duty and opportunity we again urge all our depositors to invest in Victory Bonds to the fullest extent their circumstances will permit, and to withdraw from their bank accounts to do so.

Victory Bonds are like money in the bank. They are readily saleable any time, are backed by the full resources of Canada itself and constitute the best security there is for a bank loan when needed.

Invest in Victory Bonds to the limit. Let us all do our full share to "Speed the Victory".

Speed the Victory *Buy Victory Bonds*

THE WEEK'S QUOTATIONS

Montreal and Toronto

Week ending Monday close

Winnipeg and Vancouver

Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING OCTOBER 18

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Oct. 19, 1943

%	Due	Bid	Ask.
2	June 1944	100¾	101¼
1½	Sept. 1944	100	100⅜
4½	Oct. 1944	103	103⅜
2½	Nov. 1944	101	102
4	Oct. 1945	100	...
2	Mar. 1945	100½	101¼
2	Dec. 1946	100	100¾
4½	Feb. 1946	106	106¾
2½	Mar. 1948	100	101
1¾	May 1946	99½	100¼
a2½	Jan. 1948	103¼	104¼
3½	June 1949	102¾	103¾
3½	Oct. 1949	101½	102¾
a3	June 1951	102½	103½
3½	Nov. 1951	103¼	104¼
3½	Feb. 1952	104	105
3	Oct. 1952	101¼	102¼
4	Oct. 1952	106	107
a3	Jan. 1953	104¼	105¾
3	June 1955	100	101
a3	Nov. 1956	100	101
4½	Nov. 1956	106⅜	107¼
4½	Nov. 1957	107½	108½
a3	Mar. 1954	101¼	102¼
a3	Jan. 1958	103	104
3	June 1958	99½	100½
4½	Nov. 1958	108¼	109½
4½	Nov. 1959	109¼	110¼
a4	Oct. 1960	109	110
a3½	Jan. 1961	105	106¼
3½	June 1966	102	103
a3e	Jan. 1967	102¾	103¾
a3e	Nov. 1968	102¾	103¾
†3	Perpetual	94½	95½
Dominion Guarant'd Bonds			
Can. Natl. Railways:			
2½	Jan. 1946	100¾	101¾
3	May 1944	100¾	101¾
3	Dec. 1950	101	102
3	Jan. 1959	99	100½
*4½	Sept. 1951	123¼	125¾
4½	Feb. 1956	127	129¾
*4½	July 1957	128½	130½
3	Feb. 1953	100½	101½
4¾	June 1955	129	131
5	Feb. 1954	117½	119½
*5e	July 1969	117½	119½
*5e	Oct. 1969	128	130½
*5e	Feb. 1970	128	130½
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955	130	132
Grand Trunk Pacific Rly.:			
3	Jan. 1962	110	111½
Provincial Gov't Bonds			
New Brunswick:			
4	Nov. 1947	113	116
3	Oct. 1951	98	100
3½	Aug. 1949	99½	101½
3½	June 1956	100	102
4½	Apr. 1961	120	123
c5	Jan. 1960	125½	129
Nova Scotia:			
3	Jan. 1952	99½	101½
3½	June 1956	100½	102½
3½	Nov. 1950	103	105
:4½	Sept. 1952	117½	119¾
c4½	Nov. 1960	125½	128
c5	Mar. 1960	131	133
Ontario:			
2½	May 1945	100	101½
3	Apr. 1948	100¾	102¼
3	Nov. 1950	99¾	101¼
3½	Nov. 1951	101	102½
3½	May 1955	100¾	102¼
4	June 1962	121½	125
4½	June 1950	108½	110
*4½	Jan. 1962	129	133
5	Oct. 1948	109½	110¾
*5	Dec. 1960	134	137
*5½	July 1946	107½	108¾
Ont. Hydro Commission:			
3	Aug. 1948	100¾	102¼
3½	Feb. 1953	100¾	102¼
3½	Apr. 1947	103¼	104¾
Prince Edward Island:			
4	Mar. 1954	101	103½
Quebec:			
3	Nov. 1947	100½	102¼
3½	Mar. 1948	101	102¾
3½	Mar. 1959	101	102¾
4	Nov. 1952	103½	105½
3¾	Feb. 1955	102¾	104½
4½	Aug. 1958	107	109
4½	Jan. 1963	111½	112½
Alberta:			
4½	Oct. 1956	84	87½
4	Dec. 1954	80½	84
*5	Oct. 1959	84½	88½
c4½	Apr. 1952	85½	89½
6	Mar. 1947	85	88½
British Columbia:			
4	Dec. 1957	116½	119½
*4½	Jan. 1951	118½	121½
c4½	Oct. 1953	119½	122½
c5	Apr. 1954	122	125
5½	Feb. 1945	102	104½
6	Feb. 1947	107½	110
Manitoba:			
c4	Dec. 1957	109½	112½
c4½	Dec. 1956	112½	115½
*5	Dec. 1959	119½	122½
5½	Oct. 1955	112	113
6	Apr. 1947	106	109
Saskatchewan:			
4	Sept. 1954	89	92
4	Nov. 1960	88	91
c4½	Oct. 1961	101½	104½
c4½	Mar. 1960	97½	100½
5	Aug. 1958	98	101
5½	Oct. 1952	99½	102½
6	Mar. 1952	100½	103½

*-Payable Can., N.Y. £. a-Payable Can. & N.Y. Payable N.Y. †Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ¼-Calculated to 1950 average maturity. ■Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

Oct. 19, 1943

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Industrial:	Bid	Ask.
Andian National	26½	28
Anglo C. Tel., A	8½	9½
Atlas Steels, c.	26½	27¾
Do., pref.	105	108
B. C. Pulp, c.	11½	12½
Do., pfd.	70	73
Barrymore Cl., p.	46	..
B. C. Sugar	76	78½
B. C. Tel., p.	114	..
Brown, com.	1½	2
Do., 6% pfd.	31	35
Burns & Co., A	9½	10½
Do., B	5½	6½
Canada Tea, p.	40	..
Can. Indust., A	165	175
Can. Mach., c.	8	9½
Can. Ing. Rand	62	..
Can. Mot. L.A.B.	8½	9½
Cap. W. Cloth	5	..
Do., pref.	18	21
Col. Realty	3	..
Chase, A. W., p.	16½	..
Colonial Steam.	65	68
Copeland F. un.	16	..
Corr. Box, c.	3	..
Dover Ind.	7½	..
Dunlp T., p. $25	24	25¾
Fed. Grain	3¾	4¼
Do., pref.	80	83½
Galt Brass, c.	11	..
Goderich Elev.	10½	12½
Guard. Realty, p.	18	20
Gurney Fdy., p.	2½	2¾
Hart Battery	5½	..
Hayes Steel, c.	15½	16½
High. Dairy, pf.	47	..
Inglis, John	8½	9
Ingram & Bell, p.	92	..
Kingst. ship., c.	12¾	..
Loblaw Inc., c.	12	13
Minn. & Ont., c.	8	8¾
Mt. Royal Htl., c.	3	..
M'row Screw, p.	100	..
Do., com.	15	..
Moirs, pfd.	41½	..
Morrison Br., un.	..	16
Neilson, Wm. C.	11	..
Do., p.	101	..
N. Meth. Ldy., p.	76	..
Quinte Milk	2½	..
Prov. Paper, p.	100	101½
River. Silk., B	2½	..
Stand. Fuel, p.	65	..
Stedman, pf. $50	54	57
Sutton Horsley	¾	1½
Tor. Carpet, c.	70	..
Do., pref.	72	..
Un. Steel, A, pf.	23¾	24¾
Viceroy Mfg., c.	16	..
Do., pref.	23½	..
West. Grain, pfd.	29½	..
Trust & Loan Stocks:		
British Mtge.	116	..
Brockville Tr.	45	..
Capital Trust	..	31½
Comm. Fin., c.	7	8
Eastern Tr.	150	..
Grey B. Tr. $50	44	..
Guelph & O. $50	47	..
Indust. Mtge.	25	30
Lambton Loan	34	..
Lond. & W. Trust	37	..
Midland Loan	14	..
Montreal Tr.	65	75
N. S. Trust	142	..
Premier Trust	36	..
Royal Trust	65	75
Sherbrooke Tr.	120	..
Sterling Trust	54	..
Trusts & Guar.	36½	..
Victoria Trust	74	..
Waterloo Trust	100	..
Insurance Stocks:		
Brit. Amer.	50	..
Canadian Fire	72	..
Canada Life	350	..
Confed. 30% pd.	131	..
Continental L.	..	31½
Crown Life	250	..
Dominion Fire	137	..
D. of Can. Gen.	132	..
Dom. Life	175	..
Empire, 25% pd.	6½	7½
Excelsior 40% pd.	78	..
Great-West Life	248	..
Halifax Fire	15½	17
Imperial Life	240	265
Manufac. Life	240	..
Monarch, 20% pd.	33	36
Maritime Life	20	..
National Life	8½	10
Sov. L 25% pd.	16	..
Sun Life	330	360
Tor. General	4½	5½
Western Assce.	45	47½
Do., pref.	40	..
Western Life	12	..
Investment Trust Shares:		
Deb. & Sec., pf.	78	..
Inv. Found. un.	43	..
Sec's. Hold., pf.	22	..
Th. Can. Inv. Tr.	2½	3
Theatre Stocks:		
Allen's St. Cath. units	63	..
Do., Kingston	65	..
Do., Toronto, p.	34½	..
Mansf. Theat., p.	61	..
Para. Kitch., p.	48½	..
Do., Oshawa, c.	10	..
Do., Oshawa, p.	85	..
Power Issues:		
Can. W. Nat. Gas	28	..
Do., pfd.	105	..
Gt. Lakes Pr., p.	102	105¾
N. B. Tele.	11½	13½

Unlisted Mines

Toronto, Oct. 19, 1943

	Bid	Ask.
Alba River (new)	.10	.12
Aljo	.28	.30
Algo Cop	.27	.30
Amal Kir	.15	.17
Amal Lar	.69	.71
Amicmica	.35	.40
Ana'que	.13	.15
Area	.09	.10½
Arntfield	.01¾	.02½
Athona	..	.03½
Banca	.49	.52
Bar Lard	.12	.13
Brengold	..	.01½
Brock	.10	.11
Calder Bo	.04	.05½
Cen Mani	.03	.03¾
Cheminis	.14½	.16
Classic S	.17	.20
Clift Cons	.09½	.11
Cock R L	.05½	.06
Coin Lake	.09	.10
Columbier	.15	.18
Cons Chib	.11	.15
Crowshore	.03½	.04½
Detomac	.26	.30
De Santis (new)	.07½	.09
Dona Pat	.08	.09
Dack Crk	.07½	.07¾
Eastward	.15	.18
Do Nick	.16	.18
Electra	.07	.09
Enter Fi	1.40	1.45
Goodrock	.04	.05
G L Iron	.16	.19
Gunflint	..	.16
Harp Mal	.03¾	.04½
Hayes Cd	.04½	.05½
Highridge	.07	.10
Hoyle n'w	.13	.15
Hugh P P	.06½	.08
Laguerre	.20	.22
L Geneva	.04	.06
Lar-Add	.07	.09
Larder U	.14	.17
Largold	.17	.20
Legardo	.15	.17
Magn Con	.25	.27
Marbenor	.20	.22
Mar Bird	.06½	.07
Mat Con	.13	.15
Metalore	..	.12
Mi-Co-Oil	.17	.19
Moffatt H	.05	.06
Mosher	.12¾	.14
Moosewoo	.10	.12
McManus	.04	.05
McMarma	.12½	.14
Nat Mal	.29	.31
Naybob	.03	.03¾
New Aug	.43	.45
Nick Off	1.20	1.35
Norbeau	.42	..
Norseman	.09	.12
North Tin	.01½	.02½
Oklend	.05	.06½
O'L Mala	.05½	.06½
Opemiska	.08	.09
Orpit	.03¾	.04½
Pacific R	.80	.85
Pascalis	.31	.34
Pelangio	.08¾	.09½
Pontiac Rou (old)	.14	.15
Pt Coldw	.40	.46
Presdor	.03¾	.04½
Propriet	9.00	9.40
Que Mani	.20	.21
Rand Mal	.23	.25
Raylartic	.21	.24
Rebair	.45	.50
Rhyolite	.01½	.02
Ritoria	.05½	.06
Rou D'Or	.12	..
S.A.G.A.	..	.42
Sheldon	.19	.21
Springer	.59	.61
Stadacona	.15	..
Thomso L	.14	.16
Tom Iron	..	.75
Tombill	.10	.12
Tovarich	.07½	.08
Un Mining	.06½	.08
Wesley	.02½	.03
West Shor	.03½	.04½
Y Davids	.27	.30

Oil Royalties

Producing Wells — Prices and Payments

	Sept. daily quota bbls.§	Mar. 15 daily quota bbls.§	June pay. 1% $	July pay. 1% $	Aug. pay. 1% $	Total to Aug. 31 1% $	Offering price* per 1% $
Ace No. 1 gross	300	386	129.08	140.37	147.67	5,435.04	....
Alta. Oil Inc. No. 1 gr.	65	65	26.80	27.60	26.00	3,845.60	1,000
Do., No. 1 net	65	65	21.20	20.40	21.20	4,327.20	....
Do., No. 2 gr.	300	389	140.00	132.60	137.60	5,525.40	4,700
Do., No. 2 net	300	380	121.60	98.40	96.40	6,915.80	....
Allied No. 1 pfd.	80	93	38.86	35.27	37.51	1,822.55	1,100
Arrow No. 1 net	115	135	35.00	18.00	41.00	1,097.15	1,300
Do., No. 2 net	150	170	56.00	51.00	57.00	1,991.20	1,800
Atlas No. 1 net pfd.	80	...	39.20	36.00	†36.00	......	1,300
Atlas-Br. D. No. 2 net	400	450	262.80	199.20	150.00	......	5,400
Atlas-Br. D. No. 3 pfd.	350	430	....	63.60	†63.60	......	5,400
East Crest No. 5	115	115	63.60	46.40	50.40	824.00	1,800
Independent No. 1 pfd.	200	200	86.89	102.74	106.43	......	3,200
Do., No. 1 gr.	200	200	82.32	94.34	94.43	2,918.45	3,500
Major Oil No. 1 pfd.	50	95	40.00	13.60	53.20	1,122.50	1,800
Do., No. 1 gr.	50	95	37.60	22.40	46.40	1,951.40	....
Do., No. 2 net	300	350	137.20	104.40	103.60	5,684.80	4,100
Do., No. 2 gr.	300	350	156.60	144.40	138.80	7,367.40	5,100
Do., No. 3 net	450	588	228.40	168.80	168.00	7,995.60	....
Do., No. 3 gr.	450	588	244.80	223.60	223.60	......	....
Do., No. 4 pfd.	45	125	20.40	....	35.60	......	1,200
Do., No. 4 gr.	45	125	30.00	19.20	32.80	......	....
Do., No. 7 pfd.	350	500	272.80	193.60	225.20	2,789.60	6,500
Do., No. 7 gr.	350	...	198.40	168.80	196.40	......	....
Do., No. 7 dfd.	350	500	....	....	....	......	4,200
Do., No. 8 pfd.	180	225	107.20	108.40	114.40	1,120.40	3,500
Do., No. 8 gr.	180	225	89.20	84.40	121.60	1,566.40	3,700
Do., No. 8 dfd.	180	225	....	....	....	......	1,300
Do., No. 9 gr.	200	320	160.80	96.80	124.40	2,294.60	4,400
Do., No. 9 pfd.	200	320	173.60	99.60	129.60	1,163.60	4,000
Do., No. 9 dfd.	200	320	....	....	....	......	1,300
Miracle No. 1 net	320	300	104.18	103.60	91.06	5,830.38	3,400
Do., No. 1 gr.	320	300	142.41	143.09	142.40	5,947.59	5,100
Do., No. 2 pfd.	135	200	68.04	71.11	65.44	......	2,300
Do., No. 2 gr.	135	200	57.69	62.61	62.40	‡1,507.38	....
Miracle No. 3 pfd.	300	...	....	....	....	......	2,300
Do., No. 3 gr.	300	...	122.83	138.62	145.66	......	3,800
National Vulcan	150	...	....	....	....	......	2,300
Twin City No. 2 gr.	180	...	93.10	93.47	84.99	......	....

*Approximately 25% over dealers' bid price. § Approximate. ‡ To July 31 † July payment.

Wheat Prices

Winnipeg Grain Futures

Week of October 18, 1943

Crop year from Aug. 1, 1943 High	Low		High for week	Low for week	Close Oct. 18
		Oats*			
.51½	.51½	Oct.	.51½	.51½	.51½
.51½	.51½	Dec.	.51½	.51½	.51½
.51½	.51½	May	.51½	.51½	.51½
		Barley*			
.64¾	.64¾	Oct.	.64¾	.64¾	.64¾
.64¾	.64¾	Dec.	.64¾	.64¾	.64¾
.64¾	.64¾	May	.64¾	.64¾	.64¾
		Rye			
1.12⅞	.90¾	Oct.	1.12⅞	1.08	1.12⅞
1.13⅛	.90⅜	Dec.	1.13⅛	1.07	1.12⅝
1.14⅛	.92⅛	May	1.14⅛	1.08¾	1.12⅝

*At ceilings.

Cash Quotations

	For Week Oct. 18, 1943 High	Low	Prev. Week High	Low
Oats:				
2 C. W.	.51½	.51½	.51½	.51½
3 C. W.	.51½	.51½	.51½	.51½
Barley:				
1 Feed	.64¾	.64¾	.64¾	.64¾
2 Feed	.64¾	.64¾	.64¾	.64¾
Rye:				
2 C. W.	1.12⅞	1.07⅝	1.07⅛	1.04⅝

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 14	Banks 8	Total utilities 18	Total co's. 94
	(Base 1935-39=100)											
***1935 to date:**												
High	134.5	234.4	149.7	123.7	135.7	118.3	138.2	153.4	146.8	118.2	145.0	134.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	68.7	60.2	69.0	65.2	61.1
1943: Monthly Figures:												
Jan.	90.3	75.3	82.4	62.9	114.3	88.2	109.7	84.0	88.5	76.7	90.0	78.3
Feb.	94.0	75.8	88.3	67.2	117.4	88.1	111.8	85.0	88.0	78.6	88.0	78.7
Mar.	96.7	77.1	89.5	65.6	118.1	81.6	113.9	85.3	88.6	80.2	92.1	79.1
April	100.8	79.6	93.3	67.7	121.1	87.4	128.2	89.5	95.8	80.9	101.4	82.8
May	104.0	89.3	91.6	67.9	119.9	88.7	128.1	91.4	101.0	80.5	106.2	83.7
June	108.6	94.7	96.0	73.2	124.0	89.4	133.5	93.1	111.1	81.4	111.1	88.3
July	110.5	106.8	94.1	84.9	126.0	91.5	137.9	94.5	111.3	81.7	112.4	91.0
Aug.	109.4	104.8	92.2	82.1	125.9	93.4	138.0	93.3	109.0	82.7	109.5	88.9
1943: Weekly Figures:												
Sept. 2	110.1	101.5	90.3	82.8	125.9	91.6	138.8	92.5	108.1	83.2	109.4	89.0
Sept. 9	111.4	103.5	90.6	83.7	125.5	92.3	138.1	92.1	110.0	83.6	109.6	89.3
Sept. 16	111.0	103.9	92.2	82.9	125.5	93.8	136.9	92.1	110.0	82.7	109.9	89.0
Sept. 23	111.5	104.7	92.9	84.1	126.5	93.6	138.2	93.8	110.8	82.5	110.3	89.5
Sept. 30	111.6	106.8	92.0	83.3	126.9	94.0	140.7	92.2	112.5	82.2	111.2	88.3
Oct. 7	111.3	104.4	90.7	82.1	126.4	94.8	140.8	91.0	110.3	81.7	109.1	88.0
Oct. 14	111.6	103.6	85.0	81.3	124.8	93.4	139.9	89.9	101.2	82.0	103.5	86.1

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Oct. 19	122.19	96.79	73.62	27.59
Oct. 18	121.60	97.23	73.59	27.60
Oct. 16	121.73	97.07	73.56	27.75
Oct. 15	121.85	96.70	73.42	27.78
Oct. 14	122.17	96.62	73.33	27.73
Oct. 13	122.24	96.18	73.61	27.70
Month ago	122.88	100.92	73.09	24.78
Year ago	87.89	50.37	61.31	16.18
High 1943	124.66	100.99	76.40	28.22
Low 1943	98.88	70.64	63.57	18.14

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Oct. 19	58.4	78.3	71.7	112.60	76.51
Oct. 18	58.4	78.1	71.5	113.16	76.94
Oct. 16	58.6	78.2	71.7	113.18	77.09
Oct. 15	58.3	78.1	71.5	112.02	77.05
Oct. 14	58.2	77.9	71.4	113.18	76.99
Oct. 13	58.4	78.3	71.6	112.75	77.10
Month ago	61.9	81.4	74.9	120.10	78.45
Year ago	44.3	55.4	51.7	53.64	34.93
High 1943	63.5	82.4	75.9	129.86	79.09
Low 1943	51.8	63.4	59.5	74.07	49.19

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Oct. 19	13,400	7,100	306,000	......
Oct. 18	9,900	8,400	246,000	......
Oct. 16	9,300	2,000	175,000	10,800
Oct. 15	16,500	10,600	385,000	23,230
Oct. 14	18,700	21,000	334,000	22,430
Oct. 13	26,600	7,800	302,000	13,930

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

October 19, 1943

Public Utility Issues:	Int. Rate %	Due	Bid Oct. 19	Ask.	Bid Oct. 12
▲Alg. Cen. H.B.R.	5	'59	35	37½	35
†Assoc. Tel. & T.	5½	'55	97½	100	98½
B. C. Power	4½	'60	102	104	102
B. C. Tel.	4½	'61	109	..	107½
†Calgary Pwr.	5	'60	111½	113½	111½
Do.	5	'64	108	110	107
†Can. Nor. Pwr.	5	'53	108	110½	109
*Dom. Gas & El.	6½	'45	110½	112½	110½
Gatineau Pwr.	5	'49	101½	104	102½
°Do., A	3¾	'69	107	109	107
♦Do., B	3¾	'69	101	103½	102
Gt. Lakes Pwr.	4½	'56	102	104½	102½
Do.	5	'57	102½	104½	102½
*Int. Hydro-El.	6	'44	64	67	65½
L. St. Law. Pwr.	5	'55	101½	..	101½
Macl'n-Que. Pr.	4	'59	102	104	102
Mtl. L. H. & Pr.	3½	'56	105½	107½	104½
Do.	3½	'73	101½	103½	101
Do.	3½	'63	101	103	101
†Mtl. Tramways	5	'51	104½	106½	104½
†Do.	5	'56	93	95½	93
Nat. Lt. & Pwr.	4½	'61	100½	103	100½
N. S. Lt. & Pr.	4	'57	102½	105	102½
Ottawa L.H.&P.	4	'57	102½	105	102½
Ottawa V. Pwr.	5	'59	102½	105	102½
†Power Corp.	4½	'59	103	105½	102
Quebec Pwr.	4	'62	103	105½	103
°Saguenay P., A	4½	'66	115	117	116
♦Do., B	4½	'66	107	109	105½
St. Maurice Pr.	4½	'70	103½	105½	104
Shaw. W. & Pr.	4	'61	105½	107½	104
†Do.	4½	'70	113½	115½	113½
Do.	4	'69	105	107	104
Union Gas	4½	'50	100½	103	100½
°Twin C. R. Tr.	5½	'52	104½	107	104
†United Secs.	3	'52	96½	99	96½
‡Wpg. El., ser. A	5	'63	96	98½	96
Do., B	5	'65	93	95½	93
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	72	75	74
Do., C.O.D.	5	'53	72	75	74
Acadia Sugar	4½	'55	101	103	101
Do.	6	'54	101½	104	101½
†Alta. Pac. Grain	6	'46	105½	107½	105½
Algoma Steel	5	'48	103	105½	103
Atlantic Sugar	4	'51	101½	103½	101½
†B. C. Pulp & P.	6	'50	96½	99	97
‡†Do.	7	'50	80	83	80½
°Brown Co.	5	'59	80½	83½	81
Burns & Co.	5	'58	82½	85½	82½
Canada Cement	4½	'51	102½	105	103
Canada Electric	4½	'65	99½	102	99
Can. Paper	4½	'52	100	102½	100
Can. Steamship	5	'57	104	106	104
Can. Canners	4	'51	102	104	102
*Can. Int. Paper	6	'49	110	112	110
‡Can. Locomotive	6	'53	103	105½	102½
‡†Candn. Vickers	6	'47	98	101	99
C. P. R.	3½	'51	101½	103½	101½
Do.	4	'49	105	107	105
†Consol. Paper	5½	'61	85	88	85
Dom. Coal	4½	'52	100	102	100½
Dom. Scott. Inv.	4	'52	100	102½	100
Dom. Stl. & C.	6½	'55	105	107	105
Dom. Tar	4½	'51	103	105½	103½
Dom. Woollens	6	'53	99½	102	100
†Donnacona Pap.	4½	'56	86½	89½	86½
*Dryden Pap.	6	'49	104½	107	104½
†East. Dairies	6	'49	92½	95½	92½
Famous Players	4½	'51	102½	105	102½
†Federal Grain	6	'49	106½	108½	106½
†Fraser Cos.	6	'50	104	106	104
Galt Brass	5	'50	96½	..	96½
Gen. Stl. Wares	4½	'52	101	103½	101½
*Great L. Paper	5	'55	100½	103	100
°Gurney Fdry.	5½	'49	95	97½	94
†Gypsum Lime	5½	'48	104½	107	104½
Ham. By-Pr. C.	5	'55	102½	105	102½
Do.	6	'56	102	104½	101½
Ham. Cotton	4½	'50	101½	..	101½
Inter-City Bak.	5½	'48	102½	105	102½
Indust. Accept.	4	'52	96½	99	96
Ins. Ex. Bldg.	3	'51	58	..	58
*Inter. P. Nfld.	5	'68	103	105	103
*Inv. Bond & Sh.	5	'47	52	..	52
†Kingston Elev.	6	'50	105	..	105
Lake St. J. P.	5½	'61	95	97½	95
Do.	5	'61	73½	76½	74½
Legare	6	'61	95	98	95
Maple L. M.	3	'58	100½	103	100
Man. Sugar	5	'60	104½	107	104½
Massey-Harris	4½	'54	101	103½	101
McColl-Fron.	4½	'49	102	104½	102
McCormicks	4	'52	100	103	101
Do.	4½	'52	101	103	101½
Mercury Mills	5	'59	101½	103½	101½

Corporation Bonds (Cont'd)

Mersey Paper	5	'57	96½	99½	96½
†Do.	6	'49	97½	100½	97½
°M. & O. Paper	5	'60	109	111	108½
Moirs Ltd.	6	'53	93	..	93
‡Mtrl. Drydocks	6	'48	96½	99½	96
Montreal Apts.	4	'54	56	59	55½
N. S. Stl. Coal	3½	'63	86½	89½	86½
Price Bros.	5	'57	101½	104	101
Do.	4	'57	94½	97	94½
*Prov. Paper	5½	'47	104	107	104
Reliance Grain	4½	'52	100	102½	100
†Restigouche Co.	6	'48	104	107	104
Rolland Paper	4½	'51	102	104	102
Ruddy, E. L.	6½	'48	99	101½	98
Silv. Dairies	6	'66	98½	101½	98½
Simpsons, Ltd.	4½	'51	101½	104	101½
Smith, Howard	4½	'51	103	106	103½
Stand. Lime	6	'44	99	..	99
Sterling Coal	6	'45	100	102	100
Stop Shop	3	'47	77½	80½	77½
United Amuse.	5	'56	102½	105	102½
United Corp.	4	'58	97½	100	97½
*United Gas	5½	'48	107½	110	..
United Gr. Grs.	4½	'58	99½	102	99½
†Western Grain	5	'63	79½	82½	78½

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
°Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Canada or U. K.

Municipal Bonds

Oct. 19, 1943

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	116.00	119.00	3.56
Hamilton	5	1950	111.00	114.00	2.72
Montreal	5	1945	98.00	102.00	*
Ottawa	4½	1945	103.00	104.50	2.07
†Quebec	5	1959	118.00	121.00	3.30
Saint John	5	1950	106.00	110.00	3.45
†Toronto	4½	1955	124.00	128.00	1.75
†Vancouver	5	1970	115.00	119.00	3.84
Winnipeg	5	1944	100.00	100.50	2.00

†Payable Can. & N.Y. *Flat.

Annual Meetings

1943	Company	Place
Oct. 27	Lake of Woods Mill.	Montreal
Oct. 29	Calgary & Edm. Corp.	Winnipeg
Nov. 5	St. Law. Flour	Montreal
Nov. 9	Credit F. Franco-Can.*	Montreal
Nov. 24	Imperial Bank	Toronto

*Special.

Bond Redemptions

Bond Issues:	Rate	Rent	Due	Price
Hamilton Cotton	4½%	1950	Nov. 1	101½
Eastern Car*	6%	1952	Jan. 1	105

*$57,300.

Drilling Wells

Well:	Drilling depth ft.	Offering price per 1%
Maryland Pete., pfd.	8,723	$3,000
Major Oil, No. 6 pfd.	♦	3,100
Major Oil, No. 6 gr.	♦	6,900
Empire, pfd.*	....	1,100

*Ontario Acreage Royalty. ♦Completed.

Investment Trusts

	Bid	Asked
Affiliated Funds	3.17	3.47
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	3.70	4.05
Can. Investors	5.50	6.25
Corp. Investors	6.40	6.90
Trans-Canada	11.00	11.95

Bond Tenders

5 p.m., Nov. 2, Mun. Corp. of Pont-Viau, County of Laval, P.Q.—$15,000, 3½ or 4 per cent, dated Nov. 1, 1943, redeemable serially in 20 years. A. Lecomte, sec.-treas.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$10.94	$11.25	$10.06
Hogs	16.75	16.73	16.35
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2109	.2118	.1986
Sugar, raw, lb.	*.0374	.0374	.0374
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	102.8	103.0	99.8
Dow Jones (fut.)	94.42	94.37	84.04
Fishers	11.2	111.1	108.2
Monthly Indices			
Canada (D.B.S.):			
Retail (Sept.)	119.4	119.2	117.4
W'sale (Aug.)	100.4	100.1	95.5
U. S. (July)	103.2	103.8	98.7
Gt. Brit. (June)	163.1	163.3	159.8

Note—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper - electrolytic. New York. No. 7 coffee. Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis. Cotton, raw, spot, N.Y.

*Ceiling prices fixed by the office of Price Administration.

Oil Stocks (Cont'd)

Brown Oil, debs.	...	30.00	..	30.00
Grease Creek	...	.02½	.01	..
Madison	...	.02½	..	.03
Model	†.02	.25	.22	..
National Petroleum	...	.11	.11	.13
Oil Selections	...	.04	.03½	.04
Petrol Oil & Gas	.02	.25	..	..
Sunset	...	.02½	.08	.07½	.08

Mining Stocks

Week Ending October 18

Oil Stocks

*Yield including bonus. * Paid in 1942. † Interim paid in 1943.

STOCKS NOT TRADED THIS WEEK

Supplementary Stock Quotations

(Furnished by Plaxton, McDonnell & Co., Toronto)

October 19, 1943

*Issue carries arrears.
†Currently paying on arrears.

Mining Stocks

Oil Stocks

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 227

Notice is hereby given that a dividend of one and one-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st October, 1943, and that the same will be payable at the Bank and its Branches on and after Monday, 1st November next, to shareholders of record at the close of business on the 30th September, 1943. The Transfer Books will not be closed.

By Order of the Board,

S. M. WEDD,
General Manager.

Toronto, 22nd September, 1943.

The Dominion Bank

Dividend No. 244

Notice is hereby given that a dividend of two per cent upon the paid-up capital stock of this Institution has been declared for the quarter ending 31st October, 1943, making a total distribution of eight per cent for the fiscal year. The dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the first day of November, 1943, to shareholders of record of the 15th October, 1943.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 9th September, 1943.

The Royal Bank of Canada

DIVIDEND NO. 225

NOTICE is hereby given that a dividend of one and one half per cent (being at the rate of six per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Wednesday, the first day of December next, to shareholders of record at the close of business on the 30th day of October, 1943.

By order of the Board.

S. G. DOBSON,
General Manager.

Montreal, Que., October 12, 1943.

The Bank of Toronto

DIVIDEND NO. 249

Notice is hereby given that a **Dividend of Two and One-half** per cent upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of December next, to shareholders of record on November 15th, 1943.

By Order of the Board.

B. S. VANSTONE,
General Manager.

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED

DIVIDEND NO. 96

A quarterly dividend of 25¢ a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this Company, payable Wednesday, December 15, 1943 to shareholders of record at the close of business on Friday, November 12.

DIVIDEND NO. 97

A dividend of $1.00 a share has been declared on the outstanding no par value Common Stock of this Company payable Wednesday, December 15, 1943 to shareholders of record at the close of business on Friday November 12.

By Order of the Board,

FLETCHER RUARK,
Walkerville, Canada Secretary.
September 28, 1943.

McIntyre Porcupine Mines

LIMITED
(No Personal Liability)

Dividends Nos. 104 and 105

At a meeting of the Board of Directors of McIntyre Porcupine Mines Limited (No Personal Liability) held on the 13th day of October, 1943, the following dividends were declared payable in Canadian currency:

No. 104 for Fifty-five and a half cents (55½c) a share payable December 1, 1943, to shareholders of record November 1, 1943.

No. 105 (Extra) for One dollar and eleven cents ($1.11) a share payable January 3, 1944, to shareholders of record November 1, 1943.

By Order of the Board.

BALMER NEILLY,
Treasurer.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 376

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 4th day of November, 1943, to shareholders of record at the close of business on the 21st day of October, 1943.

Dated the 14th day of October, 1943.

P. C. FINLAY,
Secretary.

Privateer Mine Limited

Dividend No. 20

NOTICE is hereby given that a dividend of one cent (1c) per share has been declared by the Directors of Privateer Mine Limited, payable in Canadian Funds, on the 10th day of November, 1943, to shareholders of record on the 25th day of October, 1943, subject to the approval of the Foreign Exchange Control Board.

By Order of the Board,

W. S. LANE,
Secretary.

Vancouver, B.C.,
October 8th, 1943.

Mining Options

CAN COPPER MINES—By agreement Aug., 1943, John F. Willis agreed to purchase 70,495 shares at 5c. a share payable within ten days and received an option on a further 1,490,000 shares at from 5c. to 40c. a share. Company incorporated May, 1940 (Ont.), authorized capital 3,000,000 shares, $1 par; issued 1,139,505.

• • • •

MYLAMAQUE MINES—By agreement Sept. 4, J. M. Brewis agreed to purchase 200,000 shares at 5c. a share payable within one month and received an option on a further 1,910,000 shares at from 6c. to $1 a share. Company incorporated Sept., 1943 (Ont.), authorized capital 3,000,000 shares, $1 par; issued 1,089,995.

• • • •

LEGARDO GOLD MINES—By agreement Sept. 23, Bertram E. Parker agreed to purchase 200,000 shares at 5c. a share, payable within one month and received an option on a further 900,000 shares at from 5c. to 10c. a share, payable within nine months. Company incorporated Jan., 1939 (Ont.), authorized capital 3,000,000 shares, $1 par; issued 950,005.

Packers Slow Flow of Stock

Winnipeg Plants Short 300 Men: NSS Lists Industry No. 1 Priority

From Our Own Correspondent

WINNIPEG.—The Manitoba Government has sent out an appeal to western livestock growers to hold most of their animals on the farms until labor shortage in Winnipeg packing plants eases.

Early this week the packing plants said they required an additional 300 workers to handle the heavy flow of stock from country points. Both the provincial government and Selective Service were concentrating on the job of supplying them with suitable men.

As heavy weekend supplies of animals arrived in Winnipeg stockyards, Hon. D. L. Campbell, Manitoba's Minister of Agriculture, urged all livestock producers to cut their shipments to a minimum. Only cattle prime for the market or hogs which were up to the weight limit should be delivered, he said.

Ask Farmer Co-operation

All other stock should be held on the farms.

If the farmers co-operated, Mr. Campbell was hopeful that the tie-up might be solved by the weekend.

"The tie-up in the slaughter of Canada's livestock," he said, "is due to a labor shortage which is fast becoming nationwide. It is going to precipitate a serious situation."

In Montreal, where serious trouble first appeared, the situation has eased, but in Edmonton the shortage is more serious than in Winnipeg, it is reported. Toronto plants are also in a very tight situation. Peak deliveries are not believed to have been reached except perhaps in Montreal.

Plant managers of Winnipeg's four largest packers, Swift-Canadian, Canada Packers, Burns & Co., and Western Packing Co., joined the agriculture minister in his appeal.

The packers pointed out that they had adequate facilities and equipment for handling the heavy supplies; but they could not get enough help.

Two measures to ease the labor shortage are being taken.

1. Selective Service lists the packing industry here as No. 1 on the priority list. "Quite a few men" have been transferred to the industry under the compulsory labor transfer order.

2. Agricultural representatives of the Department of Agriculture and special farm help agents are trying to expedite the transfer of any suitable men who can be spared from western farms.

The heavy stock supply in Winnipeg has been influenced by labor shortages farther west. Livestock that normally would go to plants in Saskatchewan and Alberta is being routed to Winnipeg.

Monday the stockyards were crowded with 17,000 hogs, 3,600 sheep and lambs and close to 3,600 cattle. Other heavy shipments were on the way.

Dividends Declared

	This payment $	Date payable	Date of record
Alum. of Can., pfd.	1.25	Nov. 1	Oct. 1
Ang. Can. Tel., A	.15	Dec. 1	Nov. 10
Ang. Can. Tele., pf.	.68¾	Nov. 1	Oct. 8
Ault & Wiborg, pf.	.37½	Nov. 1	Oct. 1
Bruck S. Mills	■.10	Dec. 15	Nov. 15
Bank of Montreal	1.50	Dec. 1	Oct. 30
Bank of Toronto	2.50	Dec. 1	Nov. 15
Brazilian Tr. ord.	1	Dec. 1	Oct. 14
Bathurst Pr. & P., A	.25	Dec. 1	Oct. 29
Blue Ribbon, pfd.	.62½	Nov. 1	Sept. 30
B.C. Tele. 2nd pf.	1.50	Nov. 1	Oct. 17
Can. Fdrs. Forg. A	37½	Dec. 15	Dec. 1
Do. (B)	1.50	Dec. 16	Dec. 1
Caldwell Linen, 1st pf.	.37	Nov. 1	Sept. 30
Do., 2nd pref.	.20	Nov. 1	Sept. 30
Calgary Power, pfd.	1.50	Nov. 1	Oct. 8
Can. Bakeries, pfd.	1.25	Dec. 1	Oct. 30
Can Bk. of Comm.	1.50	Nov. 1	Sept. 30
Can. Bronze	.37½	Nov. 1	Oct. 11
Do., pref.	1.25	Nov. 1	Oct. 11
Can. Converters	.50	Oct. 30	Sept. 25
Can. Food Prod.	.50	Jan. 1	Nov. 30
Can. Investors	.10	Nov. 1	Oct. 5
Can. Industries	1.25	Oct. 30	Sept. 30
Do., 7% pf.	1.75	Oct. 30	Sept. 30
Can. For. Invest. c.	■1.30	Nov. 1	Oct. 1
Cockshutt Plow	.25	Dec. 1	Oct. 30
Coast Brew.	.03	Nov. 1	Oct. 9
Canadian Oil, c.	.25	Nov. 15	Nov. 1
Crown Cork	.50	Nov. 15	Oct. 15
Can. Int. Inv. Tr. p.	.50	Dec. 1	Nov. 1
Can. Inv. Fd. sp. ord.	.04	Nov. 1	Oct. 15
Dom. Oilcloth, p.	.30+.10	Oct. 29	Sept. 29
Dominion Bank	2	Nov. 1	Oct. 15
Distillers Corp. pfd.	†1.25	Nov. 1	Oct. 15
Dominion Tar	1.37½	Nov. 1	Oct. 1
Dome Mines	■.40	Oct. 30	Sept. 30
Dom. Fabrics	.20	Nov. 1	Oct. 16
Do., 1st pref.	.75	Nov. 1	Oct. 16
Do., 2nd pref.	.37½	Nov. 1	Oct. 16
East. Steel, c.	.25	Dec. 1	Nov. 10
Gen. St. Wares, p.	1.75	Nov. 15	Oct. 22
Gordon & Belyea, A	2	Nov. 1	Oct. 22
Do., B com.	.40	Nov. 1	Oct. 22
Hollinger Cons.	.05	Nov. 4	Oct. 21
Hart Battery	.10+.05	Oct. 29	Sept. 28
Imperial Bank	2	Nov. 1	Sept. 30
Int. Metal. pf. A pf.	1.50	Nov. 1	Oct. 15
Inter. Nickel, pf.	†1.75	Nov. 1	Oct. 4
Int. Util., pr. pf.	†.87½	Nov. 1	Oct. 21
Kerr Addison G.	.05	Oct. 28	Sept. 30
Kirkland Lake G.	.02	Nov. 4	Oct. 1
Langley's pref.	■.50	Dec. 11	Dec. 3
Laura Secord	■.20	Dec. 1	Nov. 1
Leitch Gold	.02	Nov. 15	Oct. 15
McIntyre Porc.	.55½	Dec. 1	Nov. 1
Mtl. L. H. Pr.	.37	Oct. 30	Sept. 30
Nor. Ont. Power	.12	Oct. 25	Sept. 30
Do., pref.	1.50	Oct. 25	Sept. 30
Necn Pr. W. Can. p.	1.50	Nov. 1	Oct. 15
Ogilvie Flour, pf.	1.75	Dec. 1	Oct. 29
Ont. Silknit, pfd.	▲1	Nov. 15	Nov. 1
Ont. Steel Prod.	.25	Nov. 15	Oct. 15
Do., pref.	1.75	Nov. 15	Oct. 15
Paymaster Cons.	■.01	Jan. 10	Dec. 10
Penmans	.75	Nov. 15	Oct. 15
Do., pref.	1.50	Nov. 1	Oct. 1
Proprietary Mines	.05	Nov. 8	Oct. 8
Powell Rouyn	.02	Dec. 1	Nov. 15
Privateer Mine	■.01	Nov. 10	Oct. 25
Quebec Power	.25	Nov. 25	Oct. 25
Regent Knit., pref.	.40	Dec. 1	Nov. 2
Rolland Paper	.15	Nov. 15	Nov. 5
Do., pref.	1.50	Dec. 1	Nov. 15
Royal Bank	1.50	Dec. 1	Oct. 30
Shawinigan W. Pr.	.22	Nov. 25	Oct. 25
Sag. Power pf.	1.37½	Nov. 1	Oct. 13
San Antonio Gld.	.07+.03	Nov. 5	Oct. 20
South Can. Pwr., c.	.20	Nov. 15	Oct. 20
Silbak Premier	.02	Oct. 25	Sept. 25
Steel of Can.	.75	Nov. 1	Oct. 7
Do., pref.	.75	Nov. 1	Oct. 7
St. Law. Flour	.35	Nov. 1	Sept. 30
Do., pref.	1.75	Nov. 1	Sept. 30
Sher. Williams	.15	Nov. 1	Oct. 10
Simpsons, pf.	1.62½	Nov. 1	Sept. 30
Sullivan Cons.	.02½	Nov. 15	Oct. 15
Toburn Gold	.01	Nov. 22	Oct. 22
Tor. Elevators	1	Nov. 12	Oct. 30
Do., pref.	.66	Dec. 7	Nov. 25
United Corp., A	.37	Nov. 15	Oct. 15
United Steel, pfd. A	.75	Nov. 1	Oct. 20
West. Breweries	.15	Oct. 25	Oct. 9
Walker-Good.	1	Dec. 15	Nov. 12
Do., pref.	.25	Dec. 15	Nov. 12
Weston, Geo., pfd.	1.25	Nov. 1	Oct. 8
Wood, Alex. & J., pf	1.75	Nov. 1	Oct. 15
Wilsil	.25	Jan. 2	Dec. 1
Zeller's	.20	Nov. 1	Oct. 15
Do., pref.	.37½	Nov. 1	Oct. 15

Foreign Exchange Control Board. ▲On arrears.

Wheat Market

Futures Closed Out Quietly

Wheat Board Sales Methods Arouse Wide Interest

From Our Own Correspondent

WINNIPEG.—Open commitments in the Winnipeg wheat futures market were finally liquidated last Saturday. All interests on the short side had shown willingness to close out their position as soon as the Government's desire to have the market suspended had been made known. Majority of long holders had also been willing to dispose of their contracts, but a certain number desired to stay with them.

Last Friday the Wheat Board gave notice it has been empowered to require that futures contracts be closed out before noon on Saturday. A few holders held on somewhat stubbornly. Some represented mill interests or exporters, who wanted the wheat for which they had contracted, and who felt surer of getting it as long as they had a long position in the futures market. Others are understood to have represented clients, mainly in the United States, who were hard to convince that the Government had the power, and was using it, to compel their accounts to be closed out.

Sales Machinery

There is much interest in the machinery and methods to be used by the Canadian Wheat Board in making sales, and also in the plan for establishing selling prices from time to time, when the market no longer offers guidance. It has been decided that recognized shippers will be dealt with by the Canadian Wheat Board, to which they will submit offers for wheat to be shipped to definitely named principals in Canada or in other countries. When such offers are accepted, the shipper is to have a commission of one cent per bushel for arranging the transaction and completing all details. Presumably this method is to be followed not only with export sales made on a commercial basis, but also with wheat furnished under the Mutual Aid Plan to Great Britain and other of the Allies, or milled in Canada for their account.

Even if price is not an important factor in such transactions, having the right quantity and grade of wheat available for shipment when and where required, is a matter requiring the same attention to detail as when sales were formerly arranged under commercial considerations.

Canadian Wheat Board appears to intend to make use of the ordinary machinery of the trade, and so far as practicable in the usual way, except for elimination of the open futures market.

Carrying Charges

Early transactions are expected to be arranged on the basis of prices the Wheat Board is paying for wheat delivered by farmers. How, or whether, such prices will later be adjusted to take care of carrying charges, or whether other factors will enter into price changes, is not yet decided.

The Wheat Board has advanced the delivery quota at a considerable number of stations to five bushels per authorized acre, and at some stations to seven bushels. There are still many stations where farmers have not yet been able to deliver up to the three bushels per acre which was first established as a quota. Wherever coarse grains have been grown for sale, farmers are showing much greater anxiety to deliver oats and barley than wheat. Coarse grains, being lighter, require a much greater storage space for the same value if kept on the farm.

Moreover, farmers, having been assured that the price basis is $1.25 per bushel for wheat will carry through next crop year, as well as this year, are more content to store wheat on the farm. They know that the prices and demand for oats and barley are good at the present time, but are not sure how long that condition may continue, and want to take advantage of it while it lasts.

Supply of Cars Adequate

Another fact occurs in handling conditions. The supply of railway cars for movement of oats and barley has been good, as the authorities have been anxious to get sufficient supplies forward to keep pace with the demand in eastern Canada. When a carload of coarse grains is shipped out from a country elevator, it makes room for the handling of an equivalent quantity of the same grain, but not of other grains, since certain bins have to be allotted definitely to the handling of different kinds of grain.

New regulations are announced permitting sale of oats and barley from one farmer to another, and payment of the equalization fee advance of 10 cents a bushel on oats and 15 cents a bushel on barley in the case of such sales as well as when sold to a local elevator. Such grain, however, must be weighed at a local elevator, and the sale recorded in the delivery permit book of both buyer and seller. The former must make a declaration that the grain bought will be used on his own farm and will not be sold to any one else. The extra payments on oats and barley are made, quite apart from market price, by elevator agents, acting on behalf of the Canadian Wheat Board, as representing the Government of Canada.

Not Fraud-proof

The plan is not entirely proof against fraud, but at least the deterrents against fraud are considerable. Those who believe the Government will shortly announce an addition to hog prices, as a result of a new bacon contract with Great Britain, are inclined to think that perhaps at that time the system of extra payments will be abolished, and instead an advance will be made in the ceiling prices on oats and barley of 10 and 15 cents a bushel respectively.

While that is the simplest solution, a question arises whether farmers in eastern Canada would feel they were thereby deprived of the advantage, which they would otherwise expect, of an increase in hog prices.

Followers of the Chicago market are convinced that if the Canadian Government had delayed inauguration of its new wheat policy, prices would have been recorded by this time on the Winnipeg market considerably higher than $1.25 per bushel. The Chicago level would be equivalent to $1.75 a bushel in Canadian funds, and would allow the absorption of a duty of 42 cents a bushel on wheat bought in Canada and shipped to the United States.

Actually, commercial transactions of that nature have not for a long time been practicable, as imports of Canadian wheat are all but prohibited by quotas, except for wheat brought into the United States by a government agency. It is the Commodity Credit Corp. of that country which has lately been buying Canadian wheat for use as feed in the United States, and that body is hampered neither by quotas nor duties.

Price of wheat at Chicago has advanced to a point where it seems to be impracticable for millers to buy it for milling into flour sold at ceiling levels. A halt in mill buying on that account has been reported, but apparently many in Chicago feel some adjustment in government wheat policy will be made to permit present wheat price levels, or even higher ones, to be maintained.

The tremendous current demand for feed grains in the United States is one factor in the strong prices of both feed and bread grains. At this stage of the crop year, with small grains harvested, and the corn crop soon to come in, the country has more than sufficient feed for a number of months. But there is a good deal of apprehension about difficulties which may be experienced before the middle of 1944 in getting enough feed for the tremendous livestock population of the country.

The Business Of Farming

By GORDON L. SMITH

Prices of purebred livestock have been mounting steadily since the war began. At a big Holstein sale the other day, six head, three bulls and three females, brought approximately $10,000 apiece. These were outstanding show stock, it is true, but even the rank and file of foundation animals have been bringing prices that would have sounded almost fantastic five years ago. The trend is in keeping with the development during the first Great War, but this time, say close observers, the cycle will last longer.

This reasoning is based on the fact, that contrary to 1914-18, this time breeding livestock must have suffered serious liquidation in Europe. Two countries famous for such stock, Holland and Denmark have been completely overrun whereas they escaped any occupation in the other war. Moreover, Great Britain, by long odds the greatest all round producer of high class breeding stock, must have been hard hit, with feed and labor scarce, overseas markets cut off, and the Channel Islands, home of the Jersey and Guernsey, actually taken over by the Germans.

* * *

See Huge Demand

Provided finances can be arranged, the result of all this European upset is expected to be a tremendous demand for foundation livestock after the war. Optimists expect that the occupied countries will make direct importations and they even see Great Britain buying, especially of the types which have been furthest developed on this continent, such as Holstein cattle.

But even if this direct export does not reach very heavy volume, indirectly the effect of wartime livestock liquidation in Europe will be great. There will certainly be a tremendous demand for commercial livestock products—meats and dairy butter, cheese etc.—and this stimulation always works back to the market for purebred stock.

* * *

No Price Ceiling

So far there has been no rumor that the Wartime Prices and Trade Board has considered putting any ceiling on the prices of purebred stock and those who know something about estimating the values of such a commodity certainly do not expect any action from Donald Gordon. It would be practically impossible to work out any fair system and there would be endless complications.

Actually an animal may be a bargain at $10,000, and a heavy liability at $65, yet to the inexperienced eye both appear identical. And even the experts would not be sure, without the official records of breeding and production placed before them.

It is a well known fact that milk production of dairy herds has been increased enormously simply by selecting and using a good bull. The latter is rightly described as "half the herd."

* * *

Not So Far Apart

War and agriculture are usually considered about as far apart as two developments could be, yet there is a remarkably close connection. The same chemicals that go into fertilizer are used for explosives, the factory that can turn out tractors can soon be redesigned to build tanks, and many of the men in most armies are recruited from the farms.

Because of this close connection the physical recovery of agriculture after war is usually remarkably fast. Demobilization immediately releases trained men, fertilizer plants get raw materials again and farm machinery factories can turn full energies back to tractors, combines and plows.

* * *

Delicate Balance

The potato crop this year again illustrates the delicate balance between shortage and surplus of a bulky and fairly perishable product. The United States crop is estimated at 460 million bushels, as compared with 363 millions last year. Despite the fact that the general food situation is much less favorable this fall than last and many more potatoes will be eaten, authorities are in a great dither about how the present huge crop can be handled. Storage facilities are overtaxed and undoubtedly there will be considerable waste. Last spring, of course, there was a near famine in potatoes in the U. S.

In Canada the situation is much different. Here there is still some uneasiness as to whether supplies will fully take care of demands. The crop has been spotty, good in some sections and poor in others, and rot is cutting into stocks in storage.

Being bulky, heavy and highly susceptible to frost and rot, potatoes are not the easiest commodity to move long distances, hence the desirability of a uniform and widespread good crop.

The Week in Oils

From Our Own Correspondent

CALGARY.—British American Oil Co., following several months of data accumulation and correlation by its new geological department headed by Oklahoman H. C. Rea, officially confirmed this week that it has reached the acreage acquisition stage, preliminary to embarking on a wildcat oil development program in Alberta and Saskatchewan.

British American's first acreage announcement concerns two full townships of CPR petroleum rights just north of the Red Coulee oilfield on the Montana-Alberta border, and 40 miles south of the Taber oilfield. B. A. has taken out a reservation on the CPR townships 2 and 3 Range 16w4, surrounding the railway point of Milk River. The company already has geological and sub-surface investigation of the reservation well under way.

B. A.'s initial acreage block is adjoined to the north, east and south by a portion of the extensive Dominion Oil Co.-controlled holdings in southeastern Alberta. It is adjoined to the west by a 54,000-acre Shell Oil of Canada block and a 65,000-acre block controlled by McColl-Frontenac Oil Co.

* * *

Most Intensive Search

The southeastern corner of Alberta, extending from Lethbridge to the Saskatchewan border and from Township 16 to the Montana border, is now the scene of the most intensive oil search in its history. Nearly four million acres have been taken up under lease or reservation by both major and independent oil companies. Numerous geological parties, gravimeter and seismic survey parties and core-drilling crews have been active in the area the past several months, and the beginnings of an expected very intensive drilling program is now well under way.

Two additions to the list of drilltests were made last week end—another Dominion Oil wildcat, and the initial Lion Oils venture.

The new Dominion Oil Co. (Standard of California) venture is to be drilled immediately in the northwest 10 acres of L.S.D. 11 2-6-17w4, by Can-Tex Drilling Co., using the light rotary from Chin-Province No 1, now close to completion. The new site, to be known as Rentham-Province No. 1, is located about 20 miles south of the Taber-Province oilwells, and is 13 miles south of the Mid-Continent No. 1 drilling test.

The initial Lion Oils venture, on Lion's 18,000-acre reservation, is to be drilled in the southeast 10 acres of L.S.D. 8 22-7-15w4th, 14 miles southeast of the Taber-Province oilwells, and six miles northwest of the Mid-Continent No. 2 drilling test. This well is to be drilled immediately, using Lion's light rotary rig.

* * *

Oil Revenue Holds

Despite the fact that oil production during the first eight months of 1943 totalled only 6,510,458 bbls., 330,000 bbls. under the yield of 6,840,743 bbls. in January to August of last year, revenue to oil producers from sale of the crude product dropped only about $132,000, due to higher prices in effect this year. A compilation based on reports from the Conservation Board shows a gross revenue to producers for the first eight months of 1943 of $10,327,436, compared with revenue of $10,459,340 in the same period of 1942. Average return per barrel produced was approx. $1.59 per bbl. during this year, compared with $1.53 per bbl. in 1942.

During August, 1943, for which month Conservation Board has now published its final returns), Alberta Oil production totalled 826,191 bbls. Net barrels sold, after deductions, etc., totalled 816,740 bbls. Gross revenue was $1,327,482, an average of $1.625 per bbl. In August, 1942, production totalled 851,157 bbls. Net barrels sold were 846,349. Gross revenue totalled $1,293,071, an average return of $1.527 per bbl. The August production boosted Alberta's total since inception to 63,199,892 bbls., of which over 10% was produced during the first eight months of 1943.

* * *

Cannar's "Big Three"

Canadian National Railway subsidiary Cannar Oils Ltd. has now placed its Nos. 16, 15 and 17 wells at Vermilion on production test, with all three appearing better than the average for this field. Best of the three is Cannar No. 17, recently completed at 1,820 ft. The plug was drilled out Oct. 10, after setting production casing, and well commenced flowing under its own power soon after bailing commenced. The well flowed just over 300 bbls. of oil in 20 hours, before dying.

Bailing was in progress this week, and pumping equipment was expected to be installed and put in use during the week end. Present indications are that the well may rate as much as 100 bbls. daily on pump. Vermilion's 12-14 gravity oil is too heavy to maintain a steady flow under its own power. Occasionally, as in the case of Cannar 17, a well will flow for a short period on initial runs. That at No. 17 is believed to be the best such run in the field to date.

Cannar Nos. 16 and 15 are now both on pump, each starting off at around 45 bbls. of oil per day. No. 16 was placed on pump Oct. 8, while No. 15 went on pump Sept. 29. Cannar No. 10, an earlier completion, encountered water after drilling the plug recently, and is reported being abandoned.

Abandon Royal Sun Well

With a fault from the Banff formation to the Blairmore confirmed at 2,431 ft., Royal Sun Petroleums No. 1 on the Livingstone Range is being abandoned, it was announced this week. The well, which had sought the Devonian limestone, is located in the southern Alberta foothills, in L.S.D. 2 17-13-3w5. It was carried to total depth of 2,753 ft.

The Imperial—Nordegg No. 1 test, in the central Alberta foothills a few miles west of Brazeau, was also abandoned this week, at total depth of 2,803 ft. This test had originally been expected to reach the Madison limestone around 2,500 ft. However, since spudding, the well drilled steeply pitched Luscar (Blairmore) formation and was still in this formation at final depth.

APA Officers Re-elected

Officers and directors of the Alberta Petroleum Association were re-elected at the annual meeting held in Calgary last Friday afternoon. President is B. L. Thorne, Calgary representative of the C. & E. Corp. Other directors are: J. G. Spratt, W. H. Jones, J. H. McLeod, R. A. Brown Sr., F. F. Reeve, G. E. Watt, J. O. Galloway, Herbert Greenfield, F. M. Graham. E. W. Kolb was re-elected secretary-treasurer.

Membership in the association is now the highest in history—105 members, representing 168 oil companies. There are four additional membership applications pending, two being from the latest major American companies to enter the Alberta oil picture.

Quebec Mines Bureau Issues a New Report

Quebec Department of Mines has issued a geological report, entitled "Special Report on the Johan Beetz, north shore of the St. Lawrence." It reveals that favorable prospecting chances exist along a 55-mile water route extending northward from a point on the Lower St. Lawrence shore about 40 miles east of Havre St. Pierre.

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The Mercantile Agency
ESTABLISHED 1841
20 Offices in the Dominion

Lake of the Woods Milling Company, Limited

AND ITS WHOLLY OWNED SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AS AT 31st AUGUST, 1943

ASSETS

Current Assets			
Cash on Hand and in Banks (Net)	$ 68,396.16		
Investments (Market Value $22,990.00)	15,000.00		
Accounts Receivable After providing for Bad and Doubtful Debts	2,793,601.01		
Inventories Valued as follows: Grain at approximate Market Value Flour and Feed at approximate Manufactured Cost Bags and Materials at approximate Manufactured Cost and Purchased Price respectively	4,206,688.73	[illegible]	
Deferred Charges to Revenue		54,319.38	
Refundable Portion of Excess Profits Tax		241,160.79	
Sundry Investments—Grain Exchange Seat, etc.		6,033.00	
Investment in Controlled Company—Allied Industry (Held by the Trustee for the Bondholders)		866,357.00	
Property Account Land, Water Power, Buildings, Machinery and Equipment at Cost, less depreciation applied	6,467,539.04		
Less: Reserve for Depreciation	2,413,442.09	4,054,096.95	
Goodwill		1	
		$12,372,285.80	

LIABILITIES

Current Liabilities			
Bank Loans secured as below and under Sections 86 and 88 of the Bank Act	$3,335,000.00		
Accounts Payable	736,833.11		
Provision for Taxes After giving effect to a claim under Section 6 (b) of the Excess Profits Tax Act; including refund due the Commodity Prices Stabilization Corporation	516,766.00	[illegible]	
Insurance and Other Reserves		346,785.24	
First Mortgage Bonds, 4½% Due 1st May, 1966 Issued and held by the Banks as collateral to Loans	$3,500,000.00		
Capital Stock Authorized: 200,000 Shares of No Par Value 15,000 Shares of 7% Cumulative Preferred Stock of $100. each			
Issued: 147,000 Shares of No Par Value	$2,966,790.00		
15,000 Shares of 7% Cumulative Preferred Stock of $100. each	1,500,000.00	4,466,790.00	
Earned Surplus		2,666,982.66	
Refundable Portion of Excess Profits Tax		241,160.79	
		$12,372,285.80	

PROFIT AND LOSS AND SURPLUS ACCOUNT FOR THE YEAR ENDED 31st AUGUST, 1943

Balance at 31st August, 1942			$2,866,075.43
Add: Net Operating Profit for the year ended 31st August, 1943		$1,911,915.97	
Less: Interest	$ 154,381.50		
Depreciation	155,316.62		
Provision for Income and Excess Profits Taxes, including refund payable to Commodity Prices Stabilization Corporation	1,306,431.92		
Directors' Fees	7,542.86		
Executive Salaries	75,896.48		
Legal Fees	78.70	1,620,265.02	
		291,650.95	
Dividends from investment in the Controlled Company	47,988.00		
Income from Investments	1,495.66	49,483.66	341,134.61
			3,207,210.04
Deduct: Dividend on Cumulative Preferred Stock	105,000.00		
Dividend on Common Stock	177,226.80		282,226.80
Balance at 31st August, 1943			$2,924,983.24

Contingent Liabilities
Guarantee of $689,500.00 5½% Bonds of Inter City Baking Company Limited.
On Customers' Paper under Discount
Canadian and other dollar drafts $150,917.91
United Kingdom and Sterling drafts $145,742.11

On behalf of the Board: WALTER MOLSON, F. P. SISE, Directors.

Montreal, 6th October, 1943.

We have examined and audited the Books and Accounts of the Lake of the Woods Milling Company, Limited, and of its Wholly Owned Subsidiary Companies for the year ended 31st August, 1943.

The investment in the Controlled Company appears in the Balance Sheet at what, in our opinion, may be considered a fair valuation. The Balance Sheet of this Company has been examined by other auditors not under our review.

The Inventories of Stocks on Hand have been determined and certified correct by responsible Officials of the Companies and we have satisfied ourselves that the basis of valuation is as stated.

Subject to the above remarks, we report that we have obtained all the information and explanations we have required and that, in our opinion, the above Consolidated Balance Sheet as at 31st August, 1943 is properly drawn up so as to exhibit a true and correct view of the state of the Combined Companies' affairs according to the best of our information and the explanations given to us and as shown by the Books of the Companies.

(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON,
Chartered Accountants, Auditors.

The Mining Market

This Gold Rise Is Different

Big Price Mark-ups Parallel General Decline in Milling

By GORDON M. GRANT ..

Just a year ago—on Oct. 20, 1942—gold stocks hit a historic low. Index of 20 golds on the Toronto Stock Exchange touched 50.16, approximately 27 points below the low of June, 1940.

A "gold scare" was the occasion for the low level of gold stocks then. Rumors had it that gold mines were going to be closed—and the public hastened to unload shares.

Few good things were seen about golds at that time; the best that was held out was an era of declining profits (due to labor and supply shortages) and an uncertain future after the war. Golds were considered by many as "out" as far as speculation was concerned.

Then Came a Surprise

But the stock market is full of surprises. Probably very few people expected what has actually happened. Gold stocks have scored a major rise in the face of a sharply declining gold production.

Toronto Stock Exchange index of 20 golds on Oct. 14 stood at 97.07—not far from double a year earlier.

Even mines which have been forced to close down entirely have scored gains ranging almost as high as 200%. Price increases from $13 to $27 for Domes Mines, from $6.50 to $15.50 for Lake Shore, and from $33 to $57 for McIntyre Porcupine, are typical of the increases which have featured the market.

Unquestionably the lusty revival in diamond drill exploration has had its roots in the fact that gold mining share values are higher and that money is freer for any type of gold mining investment.

In an accompanying table, The Financial Post shows gold producers listed on the Toronto Stock Exchange on Oct. 22, 1942, and compares milling rates and prices, then and now. It is found that every issue has scored some advance. Even where a mine's ore resources have been completely depleted, shares have advanced on the strength of cash assets or other prospects.

Reasons For Rise

Why have Canadian gold mines shown such an unprecedented rise, is not an unnatural question. Is the ceiling on gold prices likely to be here or can still higher prices be expected, is another.

Several factors are reported to have been behind the marked upward movement in prices. The most important mentioned seem to be:

1. The prospects of an early peace seem to have been vastly improved by military victories.
2. While declining production rates have meant lower current profits they also imply a slower using of ore resources—and deferment of a realization on ore assets until a lower tax era which it is hoped lies ahead.
3. Use of gold has featured proposals for new international monetary systems. This has fortified confidence in gold.
4. Fears that ultimately some increase in the general level of commodity prices will be experienced has prompted purchase of gold shares by those who regard such shares as a medium for minimizing the effects of inflation.

But Other Factors Come In

Unquestionably, these are important factors on the "bullish" side but it will remain for time to register its verdict as to whether or not the bull market in golds of 1943 has been fully warranted.

Factors have not been all on the favorable side. More unfavorable factors may strike home in the months ahead.

Many gold mines have been forced to curtail advance development and the postwar period may be featured for a time by profitless production at some mines as managements try to put houses in order. A number of mines have been doing little more than "trading dollars" in recent productive activities even with development expense curtailed. While some mines have substantial ore reserves ahead, or indications that large tonnages of ore can be opened, many other mines have been eating into a very limited advance ore reserve position.

The movement in stock prices has been so general, it is sometimes suggested increases in certain individual prices are out of line even if the general increase itself is not out of line. It is possible that the market over the next few months may be more selective in character. But many stock market specialists feel that a bull market for all kinds of stocks, except war stocks, may continue from here on. If so, gold stocks may still continue working ahead even though such a move may be difficult to reconcile from an immediate property-wise standpoint.

All Gold Producers Move Up In Big 1942-43 Bull Market

Of 62 producing gold mines listed on the Toronto and Montreal Stock Exchanges on Oct. 20, 1942, not one has failed to show a price increase in the year since—even though a number of producers have been forced to close down due to war conditions, depletion of ore, etc.

The experience of the individual company is shown below.

	Daily Milling Rate†		—Market Quotation—	
	Oct. 20 1942	Latest Reported	Oct. 20 1942	Oct. 16 1943
	Tons	Tons	$	$
Aunor Gold Mines	475	465	0.78	3.20
Beattie Gold Mines	1,760	....	0.46½	1.30
Berens River	226	♦	0.60*	0.95*
Bidgood Kirkland	135	135	0.05	0.34
Bonetal Gold Mines	110	75	0.06	0.17
Bralorne	385	340	4.75	11.00
Broulan Porcupine	350	315	0.24	0.67½
Buffalo Ankerite	840	700	1.00	3.05*
Canadian Malartic	935	890	0.22	0.60
Cariboo G. Quartz	176	60	0.60	1.35
Central Patricia	380	270	0.52	1.58
Chesterville Larder	620	520	0.40	1.17
Cochenour Willans	145	145	0.46*	1.60
Coniaurum Mines	440	370	0.36*	1.50
Delnite Mines	473	375	0.43	0.80*
Dome Mines	1,525	1,400	13.00	27.00
East Malartic	1,250	750	0.73	1.50
Francoeur Gold	180	180	0.13½	0.33
God's Lake	200	...	0.11	0.17
Gold Belt	140	‡	0.13½	0.20
Hallnor Mines	350	250	1.30	3.65
Hard Rock	365	285	0.27	0.95
Hasaga	350	330	0.12*	0.25
Hedley Mascot	180	...	0.25	0.32
Hollinger Consol.	4,800	2,750	5.95	12.00
Island Mountain	94	50	0.65	0.85*
Kerr-Addison	2,100	1,650	2.85	9.35
Kirkland Lake	250	220	0.29	0.79
Lake Shore	1,000	800	6.60	15.50
Lamaque Gold Mines	1,000	700	2.83	5.95
Lapa Cadillac	200	...	0.03	0.05¾
Leitch Gold Mines	85	75	0.38	1.15
Little Long Lac	300	215	0.60*	0.79
Macassa Mines	375	280	1.37	3.75
MacLeod-Cockshutt	650	400	0.90	2.08
Madsen Red Lake	400	400	0.33	1.32
Malartic Gold Fields	700	650	1.00	3.25
McIntyre Porcupine	2,000	1,900	33.00	57.00
McKenzie Red Lake	240	225	0.44	1.30
McWatters Gold Mines	115	105	0.07⅝	0.18
Moneta Porcupine	125	...	0.22	0.34
Negus Mines	65	...	0.25*	0.53
O'Brien Gold Mines	190	175	0.35	1.05
Omega Gold Mines	330	300	0.05	0.44¼
Pamour Porcupine	1,550	1,500	0.32	1.19
Paymaster Consolidated	550	350	0.12*	0.28½
Perron Gold Mines	375	330	0.45	0.83
Pickle Crow	265	150	1.01	1.90
Pioneer of B. C.	100	100	0.95	2.35
Powell Rouyn	780	750	0.30	1.24
Preston East Dome	850	700	0.98	2.23
San Antonio	550	450	1.20	350
Senator-Rouyn	290	260	0.12	0.49½
Sheep Creek	150	‡	.60	0.95
Sigma Mines	1,100	850	4.00	8.80
Siscoe Gold	850	1,000	0.26½	0.50
Sladen-Malartic	700	650	0.15	0.49
Sullivan Consolidated	450	450	0.38	1.45
Sylvanite Gold	482	400	1.05	2.10
Teck-Hughes	250	250	1.24	3.15
Toburn Gold	115	100	0.45	.73*
Upper Canada	200	185	0.45	1.64

*Closest sale. †Approximate. ♦Not reported, but output value reduced by over 50%. ‡Operating only intermittently now.

Que. Gold Output Still Declines

Quebec gold production for August was lower than for July and lower than the average production for this year, standing at 70,963 oz., compared with a monthly average of 80,671 oz. for the first eight months of 1943.

Production of silver and of all building materials, however, was higher during August than in July, and August production of building materials—clay, lime and cement, was well above the year's average. Silver production was very close to average.

Quebec Mineral Production

	August 1943	Eight Months 1943	1942
Precious Metals:	(000)	(000)	
Gold, oz.	71.0	645.4	749.8
Silver, oz.	176.6	1,436.0	1,110.8
Building Materials:			
Clay products, $	196.6	980.5	1,227.1
Lime, tons	34.1	247.1	232.4
Cement, barrels	462.9	2,300.1	3,017.4

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GOODERHAM & WORTS, LIMITED

HG-19

Mining INVESTMENTS

Canada's position in supplying the United Kingdom market for lead was authoritatively reviewed recently by the Metal Bulletin of London.

Said the Metal Bulletin:

"At the present time so far as the United Kingdom is concerned, lead is affected not by the question of supply, but by the question of shipping. We draw our supplies from Australia and Canada with the emphasis distinctly on the former source, but in the case of Australia, we are having the greatest difficulty in getting sufficient freight space, and in fact our monthly supplies from that source are likely to be on the short side for some time to come.

"No particular alarm need be felt on this score, however, as it is expected that we shall be able to make up any deficiency from Canada, but any suggestion that our material supplies from these two sources will be in excess of essential consumption in this country is quite wrong."

* * *

As Consolidated Mining & Smelting Co. is the sole producer of refined lead in Canada, it appears this company may lay increasing stress on lead production for some time to aid the U. K. supply situation.

Lead is in pretty fair supply on this side of the water and it appears likely that Consolidated Smelters can increase its U. K. lead exports without infringing on other marketing commitments.

* * *

Action of the management of Macassa Mines in drawing up plans for a 300-ton mill for its subsidiary Renabie operation, and the surveying of a site for the mill, is encour-again from the standpoint of gold mining in Canada after the war.

With a great many wartime casualties among the gold mines, and siderable number of the mines already closed not expected to reopen, Canada is going to need all the new gold mines it can lay hands on after the war if this country is to remain in the forefront of gold producing countries of the world.

* * *

Macassa hasn't stopped with the opening up of one promising new gold property, however, and has been reported diamond drilling a gold property adjacent to the big low grade deposit located by Howe Sound in Manitoba.

It is difficult to get diamond drill crews together today, but it is encouraging to see the number of companies able to hunt for new gold deposits to be opened after the war.

With less emphasis on strategic minerals now, exploration departments of the various mining companies will no doubt be turning more and more to what might be termed their "first love," gold.

* * *

One of the features of the past two or three years has been the tremendous amount of favorable ground in various mining areas which has returned to the crown and is now open for restaking.

It is quite possible that the reversion of claims to the crown may eventually prove a blessing in disguise. While many mining companies and syndicates have lost all due to inability to meet taxes or other obligations in connection with their properties, a good possibility exists that the re-opening up of large areas of good prospecting ground may prove a stimulus for renewed prospecting and a re-survey of old showings.

With gold mining shares selling at high levels when the present operating condition in the mines concerned is considered, money for prospecting may soon loosen and a re-staking move may be near.

* * *

Gold production in U. S. is still holding at a fairly substantial level despite the W.P.B. ban on production by gold mines otherwise than those turning out strategic minerals or employing labor not usable in war industries.

Base metal mines are responsible for bulk of continuing production, which in the first seven months of this year was equal to 38% of the 1942 total. With base metal mines going "all out," it appears there is a possibility that gold production may increase.

Many people have wondered why Canadian gold production has not declined even more sharply than has been the case with so many gold mines either shutting down entirely or drastically curtailing regular production.

Explanation may lie in the substantial production of gold from base metal mines. Take the base metal mine output away from the total and output of Canadian gold mines is dropping precipitately.

* * *

Iron ore movements down the Great Lakes this year got off to a rather poor start due to late opening of navigation, accidents and inclement weather, but lost time is being made up now, it appears, with lake shipping firms aiming to beat last year's total of 92 million tons.

Last month all previous records were smashed when 12,742,821 tons of ore were moved, beating the September, 1942, record of 11,847,919 tons.

In 1942 the U. S. and Canadian lake fleets moved 11.4 million tons in October, 7.6 million tons in November, and 635,829 tons in December. Objectives for this year are 12 million tons this month, and minimum of 9 million in November and 1.5 million in December.

Company Reports

Cochenour Willans

Through mining of higher grade ores profits of Cochenour Willans Gold Mines showed an increase to $448,972 for the year ended May 31, 1943. The tonnage milled showed a decrease and costs per ton were higher.

Development work during the year was curtailed due to labor shortage. An expanded program of diamond drilling was undertaken, mostly below ground. This diamond drilling showed no change in geological conditions to 675 ft. below the present bottom level, and three holes yielded ore values. In his report, W. P. Mackle, manager, states that considering this drilling was done to get a general picture of conditions and not to follow up any particular vein or structure, the results obtained are "very satisfactory."

Development work was reduced 43%, to 3,221 ft. for the year, but with the diamond drilling the manager believes that "The condition of the mine with regard to potential ore reserves is, in my opinion, every bit as good as at this date last year."

Though savings were expected from sintering the concentrate, the economies did not materialize and this process has been suspended. Tailing loss in extraction increased from 94c. to $1.27 a ton and equipment for heating the water is being installed in an attempt to reduce this loss somewhat.

W. M. Cochenour, president, states that "The period of exemption of this company under the Income War Tax expired on May 31, 1943."

Income, Surplus—Years Ended May 31

	1943	1942
Production	$1,188,096	$1,134,362
Less: Mkt. & transp.	88,497	83,503
Development	102,533	118,845
Mining	183,542	155,209
Milling	109,471	99,983
Other oper.	58,124	76,524
Net earnings	645,929	600,298
Add: Int., etc.	10,561	6,648
Less: Deprec.	70,458	66,091
Develop. w/o	42,933	42,933
Tax prov.	94,127	88,083
Net profit	448,972	409,839
Less: Divds.	355,398	177,699
Surplus for year	93,574	232,140
Add: Prev. surplus	452,707	214,401
Inc. tax adj.	1,724	6,166
Surplus forward	548,005	452,707
Earned per share	$0.152	$0.138
Paid	0.12	0.06
Working capital	$772,240	$590,045
Tons milled	57,619	62,330
Recovery per ton	$20.62	$18.19
Total cost per ton	$12.83	$11.55

Cannar Oils Output Grows

C.N.R. Subsidiary Now Turning Out 350 Bbls. of Oil Daily

From Our Own Correspondent

MONTREAL.—Cannar Oils Ltd., wholly owned subsidiary of Canadian National Railways, has begun production of fuel oil for the railway's locomotives in western Canada, according to R. C. Vaughan, chairman and president.

Controlling 620 acres in the Vermilion field, Cannar already has drilled 20 out of 50 planned wells and 10 are now producing 350 barrels a day.

Other operators in the same field are producing and the railway takes the entire output of the Vermilion Refinery Co.'s treating plant at Borradaile.

"We are opening the wells as a wartime measure," Mr. Vaughan states, "to secure an adequate supply and reserve of fuel oil for the railway's western services. Operation in British Columbia and Alberta is, at present, largely dependent on fuel oil supplies brought through Pacific Coast ports and any interruption to this supply would seriously disrupt our service.

"Bituminous coal is so scarce that it is impossible to use it as a substitute for oil. At present levels of traffic, fuel requirements of the Canadian National in western Canada are 1,050,000 barrels a year."

Gutta-Percha Forms New "25-year-club"

Gutta Percha's "25-Year-Club" took form at a reception held in the Royal York Hotel on Oct. 8, when F. A. Warren, president of Gutta Percha & Rubber, Limited, presented each of the 244 charter members with an engraved gold watch as an emblem of membership.

More than 1,000 employees attended the reception held for the "old-timers." Walter J. Scott, honorary president and senior member, with 56 years' service, presented a desk set to the president on behalf of the 25-Year Club.

Banquets were held on the same day for the 22 other "25-Year Club" members attached to the coast-to-coast branches in Vancouver, Winnipeg, Montreal and Halifax.

Present members of the newly formed club vary all the way from 25 to 56 years' service.

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PLAYER'S NAVY CUT CIGARETTES

Gold Mining

Cochenour Ore Hopes Growing

Drilling Broadens Picture Laterally and at Depth

By GORDON M. GRANT

While production in recent months has been slightly below that of the year ended May 31, 1943, when earnings of 15.2c. a share were shown, Cochenour Willans Gold Mines appears to be in a relatively strong position despite war difficulties. Recent exploration has indicated interesting future ore possibilities both laterally and at depth.

Vertical drill holes put down from the 375-ft. level indicated that favorable geological conditions extend to at least 1,000 ft. depth and three of the drill holes—put down in widely separated sectors—returned interesting values including $23.10 across 5 ft. of core 500 ft. below surface and $16.50 across 5 ft. of core at 725 ft. vertical depth.

Kelson Results Important

But exploration in outlying ground—on the Kelson claims—is perhaps equally or more significant indicating as it does that the favorable ore-making structure has a length of 3,000 ft. to the east carrying values which suggest a new mine may be opened up in this area. The fact that the ore-making structures have an extreme length of almost a mile would seem to suggest that the structures can be expected to extend through to great depth.

Surface exploration and diamond drilling have shown the extension eastward of the favorable geological formation of both the north and south zones of drag-folded sediments. When economic considerations allow, a new shaft may be proposed for the Kelson ground.

Zones 800 ft. Apart

The two favorable zones on the Kelson ground are approximately parallel and 800 ft. apart. The north bands of black sediments have been proved to have a general width of 500 ft. and the south band of iron formation is 300 ft. across. Formation between is of silicified altered andesites across which the main ore bodies have been proved extending into the folded sediments.

Cut Ore In "B" Zone

At a point "B", 500 ft. east from the No. 321 east drift face, in the south band of this formation, a zone has been traced for 600 ft. from the boundary with two drill holes at 47 and 40 ft. depth running $3.50 across 4 ft. and $21 across 3½ ft. "C" zone, 500 ft. to the northeast and roughly parallel, has given $14 across 3 ft. and $21.70 across 3½ ft. at 97 and 75 ft. depth in two drill holes 500 ft. apart. The outcrop is 1,800 ft. northeast of the shaft.

More Values In "D" Zone

What is known as "D" zone is located 700 ft. northeast on the lakeshore and has been trenched for a length of 350 ft. Two drill holes, 200 ft. apart returned $11.20 across 5 ft. at 55 ft. depth and $21.00 across 4.5 ft. at 95.5 ft. depth.

Three further structures have been located 4,100 ft. northeast of the shaft with gold values indicated. Drilling these structures will be done later in the year. These zones show the easterly extension of the south zone sediments.

Shaft For "D" Zone?

It is possible that underground development of "B" structure may be undertaken by advancing No. 321 drift to the east a further 400 ft. A new shaft is reported under consideration for the area south of "D" zone.

In the company's annual report, it was reported that the three levels at 150, 275 and 375 ft. depth in the main mine all continue to turn in new ore despite the impressive tonnage of ore opened up in them in recent years. The 375-ft. level ore recently has been particularly high grade. On the first level, No. 117 ore body has been opened up in the north sediments returning high erratic gold values across 2 to 7 ft. Drifting has been carried for 70 ft. in ore, and diamond drilling on the level below indicates probable ore extension of 165 ft. Nos. 309 and 311 ore bodies are being mined over a length of 480 ft. across an average width of 4 to 7 ft. running .8 oz. gold per ton. Further length is indicated.

Diamond drilling from the No. 225 stope has indicated a new ore body 100 ft. within the footwall parallel to Nos. 225 and 319. Values as high as $63.70 across 5.5 ft. have been secured in a length of 160 ft.

Two additional ore bodies with indicated lengths of 100 and 135 ft. have been shown by drilling southeast on No. 225 ore body.

Development is restricted at present due to the shortage of labor, but with drilling indicating many new places where ore may be secured, the company should be in a position to expand its work after the war. While ore reserves have shown little change recently at around three years' milling requirements, carrying out of the large program of development could easily expand the ore picture to the point where an increase in mill capacity to 300 or 350 tons a day would be warranted.

Unbalance Use Of Newsprint

U. S. Publishers Fail to Equalize Demand and Supply

From Our Own Correspondent

MONTREAL.—Voluntary and enforced savings of paper by American publishers in 1943 will not result in effecting a balance between supply and demand. A maximum deficiency as between supply and consumption of 200,176 tons is indicated.

Apparent consumption for the United States this year is placed at an average of 310,059 tons monthly. Indicated supply is 292,500 tons monthly, of which Canada will provide 210,000, the United States 70,000 and Newfoundland 12,500 tons.

In order to balance it will be necessary for U. S. consumers to draw upon stocks, which at the beginning of the year totalled 645,492 tons. These, at the end of this year, will have shrunk to an estimated 445,316 tons.

Weaken Production Plan

Production schedules in Canada, the U. S. and Newfoundland for 1943 were based upon figures, in part provided by the publishing industry, so as to maintain a balance between supply and consumption. This result will not be achieved in 1943.

U. S. Newsprint Supply Record

		Tons
Consumption:		
1st Quarter		904,436
2nd Quarter		969,026
3rd Quarter (est.)		882,575
4th Quarter (est.)		1,006,680
Total*		3,762,717
Receipts:		
Actual—Jan. to July		2,058,041
U. S.	479,195	
Canada	1,487,319	
Newfoundland	91,527	
Estimated—Aug. to Dec.		1,462,500
Total		3,520,541

*Before applying recommended 5% reduction to base, and before any reduction in estimated 60,000 tons of appeal grants in fourth quarter.

Breakdown:

210,000 from Canada per month
70,000 " U. S. " "
12,500 " Nfld. " "

292,500 x 12 months = 3,520,541

Recapitulation:	
Est. deficiency	242,176
Est. reduction 4th quarter by application 5% cut to base	42,000
	200,176
Less: Reduction in 4th quarter appeals	?
Stocks on hand, Dec. 31/42	645,492
Maximum deficiency, 1943	200,176
Stocks on hand, Dec. 31/43, est.	445,316

Note: These figures prepared by the Newsprint Advisory Committee of the U. S. publishing industry.

To Teach Boys Building Skills

Ont. Apprenticeship Institute Sets Up Pool of Apprentices

Early expansion of youth training in the building trades in Ontario is seen with inauguration this month at Toronto of the Ontario Apprenticeship Institute chaired by H. C. Nicholls, president of the Toronto Builders' Exchange and vice-president of the Canadian Construction Association.

The institute's program is expected to bring substantial increase in enrolment of apprentices because it promises to counteract unwillingness of many contractors to undertake to give full-term field training due to uncertainty in their own volume of work.

The boy now will be indentured to the Institute instead of to the individual contractor; the Institute will assign the boy to an active contractor who will be responsible only so long as work in hand affords such employment; when the contractor runs out of work, the Institute will transfer the boy to another.

Start Night Classes

No change, other than continued expansion, is contemplated for the present system of technical school enrolment, it is stated. The new body already has instructed all apprentices to begin attending night classes if such are available in their communities. An annual course, revived and expanded last year after a lengthy lapse, will bring many of them together again at Toronto technical schools in January and February.

Ontario Apprenticeship Institute is a joint creation of the provincial Department of Labor and its Advisory Committee for the Building Trades, chaired by Joseph M. Pigott, Hamilton contractor, who is president of Wartime Housing Ltd. H. P. Frid, another Hamilton contractor, is on the directorate of the new body, with Walter Shaw of the electricians' union, A. V. Cooper, carpenters' union, and Fred J. Hawes, Ontario Director of Apprenticeship, the latter as secretary-treasurer.

The older advisory committee, set up in the depressed 'thirties, was reconstituted last year to plan province-wide expansion for youth training in the building trades to meet the needs of anticipated post-war programs and assure survival of construction crafts.

Central Patricia Gold Mines produced $333,060 of gold bullion from 24,632 tons of ore during the quarter ended Sept. 30, 1943. This compares with a production of $414,816 from 33,408 tons of ore in the same quarter in 1942.

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Pull for Victory!

Let us put our backs into it and make our weight felt. This is the tug that's going to bring us closer to our goal! We mustn't slack off and let the other fellow pull *our* share! ... The signal's sounding for us to do our best. That means *all* the Victory Bonds we can afford! Let us buy them to the limit of our savings—then buy an extra bond on the payroll plan, from current income.

The war can't wait. The need is now. Hitler's got to feel this! We've got him groggy now—but we still have to deliver the knockout. So let's work with all our might and make this a total effort for a total victory.

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IMPERIAL OIL LIMITED

Postwar Exports

Britain Is Big Metal Buyer

Postwar Requirements Likely to Continue Heavy

Before the war one quarter of Canada's total export to Great Britain was made up of base metals. Since the war that export has been substantially expanded in all main lines and multiplied over six times in aluminum. Our postwar chances of maintaining this trade are appraised in the accompanying article.

This is the second of a group of articles dealing with the problems confronting the restoration of Canada's peacetime export trade after the war. Below the British market for Canadian metals is discussed.

By GORDON L. SMITH

Most Canadians are well aware that Canada is shipping huge quantities of base and other metals to Great Britain in this war. Not so familiar, however, is the fact that in peacetimes this country was also a most substantial exporter of the same commodities.

The trade, therefore, is by no means a mere war development based entirely on the output of munitions and armaments, but a day in and day out business and one that may reasonably be expected to continue after the peace.

Quarter of Total Trade

In normal times export of metals to the United Kingdom amounted to almost precisely 25% of the total trade. Largest single item was usually copper with nickel a close second, aluminum a pushing third followed in irregular order by lead, zinc and platinum.

These metals, prior to the threat of war, went largely into general industry, being used in the manufacture of electrical apparatus, steel, ships, aircraft, hardware, pipes, boilers, automobiles, jewellery and hundreds of other peacetime products.

Aside from nickel, where Canada held almost a world monopoly, these metals met fairly stiff competition. They came up against copper from Rhodesia, South Africa and South America, lead from Australia and platinum from Russia. But the trade over a long period of years more than held its own in so far as the main base metals and platinum were concerned.

Detailed figures of war exports are a military secret and because metal supplies are more or less pooled for all United Nations use, actual export destination might be difficult to determine. However, it is an open secret that shipments to Great Britain have mounted substantially and the bulk of these, with the exception of nickel and possibly some aluminum, are still going to the United Kingdom. The following table of total output recently issued by the Wartime Information Board at Ottawa gives a clue:

Canadian Metal Output

	1939	1942
	Tons	Tons
Refined copper	232,000	270,000
Refined lead	191,000	243,800
Refined nickel	64,500	93,300
Refined zinc	175,000	216,000
Aluminum*	75,000	*450,000

*Based on official WIB estimate of more than six times the total of 1939."

True these figures include all production for domestic as well as export use and they also include some fairly substantial export to the United States. Undoubtedly, however, as production of Canadian mines and refineries has been stepped up, so have exports to Britain. The increased totals of production today in any case indicate the problem we face in endeavoring to project our wartime rate of export into the postwar era.

Practically all this export at present, it may be safely assumed, is being used for direct war production. Instead of pleasure cars, bicycles and baby carriages, Britain today is using this imported metal to turn out tanks, armored cars, guns, shells, planes and ships. In the form of earth shaking block busters and screeching artillery shells, she is exporting much of it direct to Germany and occupied parts of Italy and Russia.

When Peace Comes

This sort of business, naturally, will come to an abrupt stop the instant the Nazis throw up the sponge. There will be some armament required for world policing after the victory it is true, but this will only be a flea bite compared to present requirements and it could more than be met for a long while out of salvage of surplus war stocks.

But there is not a great deal of difference between many peacetime and wartime goods. Copper, zinc, aluminum, lead, etc., will be needed in huge quantities to build the goods to meet a pent-up consumer demand after the peace. Cars, radios, refrigerators, stoves, toys, cutlery and numerous other things will be wanted quickly and in huge quantity.

Much of Britain and Europe will have to be completely rebuilt and repaired. One job alone, the recovering of shrapnel-ruined church and similar roofs will require huge quantities of copper, lead and zinc.

Provided finances can be arranged, and we are not concerned with that problem in these articles, a tremendous new demand for metals will arise overnight in Europe after the peace. Some of this will be satisfied with the huge accumulation of war scrap, but in many cases, new-refined metal will be cheaper and more practical.

Canada Better Prepared

What are Canada's chances for participating profitably in this demand?

Remembering the critical times faced by the metal industry after the first Great War most Canadian producers are cautious but they are also confident. This time there are several favorable factors that were absent in 1918.

In the first place production of lead, zinc and copper has not doubled and quadrupled as it did in the first Great War. The growth has been substantial but it has been healthy. Mines are better developed and more efficiently operated. The trade, too, is now largely in refined metal which gives us wider marketing possibilities. And finally export prices for Canadian metals are low, even when compared with pre-war levels. Thus the terrific price deflation that followed the first war is not anticipated. In recent years Canada has become recognized as a low cost producer.

Wild Fluctuation 25 Years Ago

In 1916 copper prices in London hit a peak of £153 a ton and even at the end of the war were running around £125. This compared with about £60 immediately pre-war and about £70 immediately after. And lead and zinc were even more spectacular performers.

There is a sharp contrast this time.

U. K. contract prices being paid to Canadian base metal producers for surplus export production are based on 1939, which was the lowest in many years, and materially lower than 1937. Moreover, and this is most important when appraising postwar possibilities, these prices are substantially lower than those prevailing in the United States. Lead at a fraction over 3c. a lb. and zinc at 3.6c. a lb. are well under half of the present U. S. price and a quarter and about a tenth respectively of the peak price in the first Great War.

Could We Maintain Present Pace?

That is one phase of the picture, there is another and most important angle. Minerals are not like wheat, fish or even trees which are continually being replaced. Once the copper or zinc has been dug up and exported, it is gone so far as this or the next thousand generations are concerned. In appraising postwar export possibilities then we must consider whether or not we can, or is it desirable to, maintain the present rate of output.

It is again an open secret that under the stress of war demand some mines are being emptied at a pretty rapid rate. In some cases only a relatively few years' supply of ore remains in sight. When prospecting gets fully under way after the war undoubtedly new properties will be discovered, but there is a limit even to that sort of thing and much less of Canada remains unexplored than was the case after the last war.

Then again to meet war needs, in some mines highest grade ore is being mined and lower grade ore bodies by-passed. Maybe this can be worked later, maybe not.

This is not the most economical method of production but it does result in more metal quickly and that is all that counts now. Undoubtedly after the war many mines will want to go a little slower on output and work through the lower grade ores in the most economical way, that is, as they come to them.

Aluminum Separate Problem

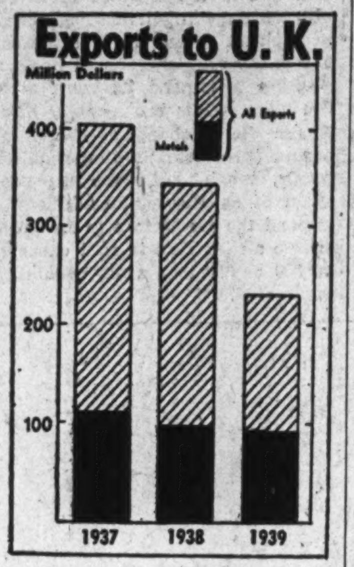
In this connection, of course, aluminum is not concerned because there are no operating aluminum, or more properly speaking bauxite, mines in Canada. The industry is a refining proposition only, based on a highly favorable combination of cheap electric power and imported bauxite. Moreover, so far as expansion is concerned, aluminum is in a class by itself.

Most reliable information on production would indicate that it has jumped enormously, the official Wartime Information Board says more than six times pre-war and further that Canadian output is now greater than the total 1939 production of the rest of the world. It adds that Canada is supplying 40% of the needs of the United Nations.

The reason, of course, is the ever increasing demand for aircraft, bombers, fighters and training planes. Increases in the output of copper, lead, nickel and zinc since the beginning of the war are moderate even trivial in comparison to the growth in aluminum and the peacetime disposal of that tremendous expansion is a problem not by any means confined to Canada.

So far as the export to the United Kingdom is concerned, however, it should be noted that British capital is vitally interested in much of all Canadian aluminum capacity and it is only reasonable to suppose that Canadian export to the Old Country will, at least, get as favorable treatment as that of any other country.

One very grave factor in connection with the general metals situation, however, is the competitive effect of this increased aluminum output on the other base metals. Peacetime uses for all of them overlap and sometimes to a considerable extent.



Metal Exports to U. K.

	$000	$000	$000
Aluminum	8,782	12,013	14,328
*Copper	35,752	26,124	30,611
Lead	10,886	6,656	5,600
Zinc	8,411	6,572	7,362
Nickel	24,585	27,530	16,082
Platinum	8,111	9,023	5,867
Iron (pigs, ingots, billets)	3,093	2,734	3,164
Asbestos	1,184	1,462	1,888
Totals*	108,095	97,712	90,793

NOTE—Sharply lower prices and not lower volume accounted for the dollar drop in copper, lead and zinc in 1938 and 1939 as compared with 1937.

*Includes a few other metals not specified.

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Social Credit Streamlines System of Candidate Choice

From Our Own Correspondent

EDMONTON.—Social Credit has abandoned its former practice in selecting Candidates for election.

Since 1935 the Social Credit Party adopted a plan of having each constituency convention name two or three persons, from among whom a central board picked a candidate. This is now being thrown overboard and selection of candidates will be done at a nominating convention by elimination vote.

Thus, Social Credit swings into line with other parties in the system of picking a candidate. Selection of candidates by a Social Credit advisory board has drawn criticism of political opponents for years, but Social Crediters persisted in it.

System Disliked

It was learned here objections to the advisory board system were expressed at a recent Social Credit caucus in Edmonton, and that suggestions were made to the S. C. League concerning a change.

It is believed here that the move is evidence that the party's affairs will be more wisely handled than in the past.

Rate Packers As Essential

In recognition of its serious labor shortage, the meat packing industry has been added to the list of essential industries, it is announced by Arthur Macnamara, Director of Selective Service.

With record deliveries of cattle and hogs for slaughter this season, the move has been taken in the hope of maintaining sufficient staff to slaughter and process all animals on the market, otherwise it would be impossible to handle the volume of work.

The anouncement carries provisions for postponement of military call-ups for employees and by order of Sept. 20, employees of packing plants are frozen in their jobs.

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In the national welfare and in the interest of thrift we now take this occasion to recommend to our deposit customers the purchase of Victory Bonds to the fullest possible extent.

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Still so much more to do . . .

It's only human to magnify our successes and achievements . . .

We've had good news . . . and many reasons to be thankful . . . but

Let us remember what we told ourselves back in 1940 . . . "It's the last battle that wins the war" . . .

. . . and the last battle may still be a long way off.

It's going to call forth all the heroism of our fighting men . . . all the stamina of our workers at home . . . all the dollars we can lend and pledge . . . to turn our present advantage into final and decisive Victory.

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